

香港場外結算有限公司
(香港交易及結算所有限公司附屬公司)

OTC CLEARING HONG KONG LIMITED
(A subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: **Margin Requirements during Dragon Boat Holiday in China**
Enquiry: **Hotline: (852) 2211-6753 / Email: OTC_RiskControl@hkex.com.hk**

Please be advised that pursuant to Chapter 4 of the OTC Clearing Hong Kong Limited Clearing Procedures, the following risk management measures will be applied by OTC Clearing Hong Kong Limited to cover potential market volatility during Dragon Boat Holiday in China:

Northbound Holiday Margin will be applied to each Clearing Member's CNYIRS portfolio at the close of clearing on 30 May 2025. An amount equal to **10% of a Clearing Member's CNYIRS portfolio margin** will be added to the End-of-Day Initial Margin call to be collected on 2 June 2025. Clearing Members will be required to settle the margin call amount within 1 hour after the End-of-Day Initial Margin call issued at 08:30 hours Hong Kong time. Northbound Holiday Margin will be **reduced to 0%** at the close of clearing on 2 June 2025.

Below is an illustrative example:

Close of Clearing on	30 May	2 June
Initial Margin requirement	2,000	2,000
CNY IRS portfolio margin	1,000	1,000
Northbound Holiday Margin multiplier	10%	0%
Northbound Holiday Margin	100	0
Total Initial Margin requirement	2,100	2,000

Note: All figures in the table above are hypothetical for illustration purpose only and denominated in Hong Kong Dollars.

Please note that:

1. The application of Northbound Holiday Margin will increase Clearing Members' Margin requirements. The impact will vary depending on individual Clearing Member's portfolio. Clearing Members may contact us (via the hotline and email address mentioned above) to assess the potential impact on their Margin requirements.
2. Clearing Members should be fully aware of the above measures and make the necessary funding arrangements. Clearing Members are advised to keep adequate levels of Excess Margin. End-of-Day Initial Margin calls will be issued if a Clearing Member's Margin Balance falls short of its Initial Margin requirement.

Johnny Chan
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Operations Risk Management