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:	Update to the Formula of the Interest Rebate Program for Standard Cross-Currency Rates Derivatives Transactions ("**CCS**") Cleared through OTC Clear
Enquiry:	OTC Product Development Team (Phone: 2211 6068 / Email: OTC_BCD@HKEX.COM.HK)

Following OTC Clear's announcement of the Expansion of Eligible Bond Connect Securities Collateral to all OTC Clear Products, effective from 21 March 2025, OTC Clear will adjust the rebate formula so that the rebate amount will no longer be dependent on the non-cash collateral posted. The rebate amount shall be calculated by OTC Clear in respect of each Clearing Member's House Position Account and Client Position Account, based on the following updated formula:

Rebate amount	= Rebate rate x HKD margin amount eligible for rebate
Rebate rate	= Max [0, (HIBOR O/N minus 50 bps, less the prevailing bank savings rate as set out in Section 7.6.1.1 of the Clearing Procedures)]
HKD margin amount eligible for rebate	$$= \text{Min}\left[\left(E \times \frac{C}{A}\right), C\right]$$ Where: A = total margin requirement of the Position Account C = pro rata shares of margin requirement of all Standard cross-currency Rates Derivatives Contracts recorded in the Position Account E = total amount of HKD recorded in the Collateral Account relating to that Position Account disregarding the relevant Collateral Haircut(s)

In the absence of manifest error, the rebate amount calculated by OTC Clear shall be final and conclusive.

The rebate amount shall be paid monthly in arrears.

Capitalised terms used herein shall have the meaning ascribed thereto in Rates and FX Derivatives Clearing Rules and Clearing Procedures of OTC Clear.

For any enquiries, please contact the OTC Product Development Team on 2211 6068 or OTC_BCD@HKEX.COM.HK.

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