

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 and Adjustment of Routine Intra-day Variation Margin Calls during Chinese New Year Holidays and Special Working Days**

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 (“**OTC Clear**”) to cover potential market volatility during Chinese New Year Holidays and Special Working Days (“**SWD**”) in February 2026:

1. Northbound Holiday Margin will be applied to the portfolio of Standard Northbound Rates Derivatives Contracts (“**Swap Connect Portfolio**”) of Clearing Members. The amount of Northbound Holiday Margin to be applied is tabulated below:

Date	Northbound Holiday Margin (as a % of Initial Margin of Swap Connect Portfolio)	Collection Date
12 Feb 2026	19%	13 Feb 2026
13 Feb 2026	19%	Note 1
14 Feb 2026 (SWD)	10%	16 Feb 2026
19 Feb 2026	19%	20 Feb 2026
20 Feb 2026	10%	23 Feb 2026
26 Feb 2026	10%	27 Feb 2026
27 Feb 2026	10%	Note 1

Note 1 - Northbound Holiday Margin will be reflected on the margin requirement on the subsequent SWD(s) and no margin call will be issued.

2. Holiday Margin will be applied to the entire portfolio (including Swap Connect Portfolio) of Clearing Members. The amount of Holiday Margin to be applied is tabulated below:

Date	Holiday Margin (as a % of Initial Margin of Entire Portfolio)	Collection Date
13 Feb 2026	27%	Note 2
14 Feb 2026 (SWD)	27%	16 Feb 2026
16 Feb 2026	27%	17 Feb 2026
17 Feb 2026	19%	18 Feb 2026
18 Feb 2026	10%	19 Feb 2026

Note 2 - Holiday Margin will be reflected on the margin requirement on the subsequent SWD(s) and no margin call will be issued.

Clearing Members are able to check their Northbound Holiday Margin amount and Holiday Margin amount under the report named “WEB MRCleared.csv” via OASIS after the close of clearing (i.e. around 22:00 hours Hong Kong time). Clearing Members will be required to settle the margin call amount, if any within 1 hour after the End-of-Day Initial Margin call issued at 08:30 hours Hong Kong time on the above-mentioned collection date.

An illustrative example is set out in the Attachment for reference.

Please also note that:

1. There will be no Routine Intra-day Variation Margin Calls on 14, 17, 18, 19 and 28 February 2026.
2. The above-mentioned risk management measures will increase Clearing Members' margin requirements. The impact will vary depending on individual Clearing Member's portfolios. Clearing Members are advised to maintain adequate level of Excess Margin with OTC Clear. End-of-Day Initial Margin call will be issued if a Clearing Member's Margin Balance falls below its Initial Margin requirement. Clearing Members may contact us (via hotline or email) to assess the potential impact on their margin requirements.

3. Clearing Members should be fully aware of the above measures and make necessary funding arrangements. In case of any key staff on vacation, please ensure the backup staffs are familiar with the operational procedures to monitor the exposure and fulfill the settlement obligations on time.

Terence Low
Managing Director
Operations Risk Management
Operations Division

Attachment

Illustrative Example

Close of Clearing on	12 Feb	13 Feb	14 Feb (SWD)	16 Feb	17 Feb	18 Feb	19 Feb	20 Feb	23 Feb
Initial Margin of Swap Connect portfolio	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Northbound Holiday Margin multiplier	19%	19%	10%	0%	0%	0%	19%	10%	0%
Northbound Holiday Margin (A)	190	190	100	0	0	0	190	100	0
Initial Margin of entire portfolio (B)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Holiday Margin multiplier	0%	27%	27%	27%	19%	10%	0%	0%	0%
Holiday Margin (C)	0	540	540	540	380	200	0	0	0
Total Initial Margin requirement (A + B + C)	2,190	2,730	2,640	2,540	2,380	2,200	2,190	2,100	2,000

Close of Clearing on	26 Feb	27 Feb	28 Feb (SWD)
Initial Margin of Swap Connect portfolio	1,000	1,000	1,000
Northbound Holiday Margin multiplier	10%	10%	0%
Northbound Holiday Margin (A)	100	100	0
Initial Margin of entire portfolio (B)	2,000	2,000	2,000
Holiday Margin multiplier	0%	0%	0%
Holiday Margin (C)	0	0	0
Total Initial Margin requirement (A + B + C)	2,100	2,100	2,000

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