

**OTC Clear Clearing Procedures**

**Chapter 3**

**Rates and FX Clearing Services**

section 3.3.1

TDRP12)” and “OTC Clear Trade Report for Client (Report Number TDRP03\_C, TDRP04\_C or TDRP12\_C)” are available to the Clearing Members on the Web Portal.

Any Original Transaction that is not accepted for registration at or before 19:00 hours Hong Kong time on an OTC Clear Clearing Day will be rejected by OTC Clear and must be resubmitted.

The result of rejection will be communicated to the relevant Approved Trade Registration System. The transaction will be flagged as “REJECTED” in the “OTC Clear Trade Report (Report Number TDRP05, TDRP06 or TDRP13)” in relation to any House Position Account or “OTC Clear Trade Report for Client (Report Number TDRP05\_C, TDRP06\_C or TDRP13\_C)” in relation to any Client Position Account. Both “OTC Clear Trade Report (Report Number TDRP05, TDRP06 or TDRP13)” and “OTC Clear Trade Report for Client (Report Number TDRP05\_C, TDRP06\_C or TDRP13\_C)” are available to the Clearing Members on the Web Portal.

If an Original Transaction satisfies all applicable Eligibility Requirements, such Original Transaction will be registered by OTC Clear as two Contracts. The result will be communicated to the relevant Approved Trade Registration System. A unique trade identification number will be assigned to each such Contract, and such trade identification number will be published in the “OTC Clear Trade Report (Report Number TDRP01, TDRP02, or TDRP11)” in relation to any House Position Account or “OTC Clear Trade Report for Client (Report Number TDRP01\_C, TDRP02\_C or TDRP11\_C)” in relation to any Client Position Account. Both “OTC Clear Trade Report (Report Number TDRP01, TDRP02 or TDRP11)” and “OTC Clear Trade Report for Client (Report Number TDRP01\_C, TDRP02\_C or TDRP11\_C)” are available to the Clearing Members on the Web Portal. In addition, the Original Transaction submitted for registration will be flagged as “CLEARED” in such “OTC Clear Trade Report (Report Number TDRP01, TDRP02 or TDRP11)” or “OTC Clear Trade Report for Client (Report Number TDRP01\_C, TDRP02\_C or TDRP11\_C)”.

**3.3.2 Creation of Contracts other than through Submission of Original Transactions by Clearing Members**

- (i) Pursuant to Clearing Rule 813, Contracts may also be created by OTC Clear registering a Contract on its system. In doing so, OTC Clear may waive any required checks for assessing whether or not the applicable Eligibility Requirements have been satisfied; or
- (ii) Pursuant to Clearing Rule 825, Contracts may also be created by OTC Clear registering a Contract on its system in accordance with sections 3.17 and 3.18 of these Clearing Procedures.

**3.4 Product Eligibility Requirements**

**3.4.1 General Requirements for an Original Non Deliverable Rates Derivatives Transaction and Original Non Deliverable FX Derivatives Transaction**

OTC Clear will accept an Original Transaction for registration only if:

- (i) to the extent that a particular subject matter or data field appearing in an Original Non Deliverable Rates Derivatives Transaction is prescribed for in the ND IRS Template, the election made with respect to

such subject matter or data field in the Original Non Deliverable Rates Derivatives Transaction is consistent with that prescribed for in the relevant ND IRS Template; and

- (ii) to the extent that a particular subject matter or data field appearing in an Original Non Deliverable FX Derivatives Transaction is prescribed for in the EMTA Template, the election made with respect to such subject matter or data field in the Original Non Deliverable FX Derivatives Transaction is consistent with that prescribed for in the relevant EMTA Template.

### 3.4.2 Specific Requirements for an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction, and an Original Non Deliverable Rates Derivatives Transaction

3.4.2.1 OTC Clear will only accept the types of Original Standard Rates Derivatives Transaction, Original Standard Cross-currency Rates Derivatives Transaction and Original Non Deliverable Rates Derivatives Transaction for registration as set out in the table as follows:

Instrument		Currencies / Currency Pairs (swap and FX)	Floating Rate Option	Maximum Residual Term	Designated Maturity	
Original Standard Rates Derivatives Transactions	Single currency interest rate swaps	USD	USD-LIBOR-BBA	11 years	One month, three months, six months and one year	
			<del>USD-SOFR-COMPOUND</del>	<del>11 years</del>	<del>Not Applicable</del>	
			<del>USD-Federal Funds-H.15-OIS-COMPOUND</del>			
		EUR	EUR-EURIBOR-Reuters	<del>EUR-LIBOR-BBA</del>	11 years	One month, three months, six months and one year
				<del>EUR-LIBOR-BBA</del>		
			<del>EUR-EuroSTR-COMPOUND</del>	<del>11 years</del>	<del>Not Applicable</del>	
		HK\$	HKD-HIBOR-HKAB		16 years	One month, three months, six months and one year
				<del>HKD-HONIX-OIS-COMPOUND</del>	<del>16 years</del>	<del>Not Applicable</del>
		CNY (offshore)	CNY-SHIBOR-Reuters		11 years	One month, three months, six months and one year
				CNH-HIBOR-TMA		

	Single currency basis swaps	USD	USD-LIBOR-BBA	11 years	One month, three months, six months and one year
			(a) USD-SOFR-COMPOUND vs (b) USD-Federal Funds-H.15-OIS-COMPOUND	<u>11 years</u>	(a) & (b): <u>Not Applicable;</u> (c): <u>One month, three months, six months and one year</u>
			(a) USD-SOFR-COMPOUND vs (c) USD-LIBOR-BBA		
		EUR	EUR-EURIBOR-Reuters	11 years	One month, three months, six months and one year
			EUR-LIBOR-BBA		
			(a) EUR-EuroSTR-COMPOUND vs (b) EUR-EURIBOR-Reuters	<u>11 years</u>	(a): <u>Not Applicable</u> (b)&(c): <u>One month, three months, six months and one year</u>
			(b) EUR-EURIBOR-Reuters vs (c) EUR-LIBOR-BBA		
		HK\$	HKD-HIBOR-HKAB	16 years	One month, three months, six months and one year
			(a) HKD-HONIX-OIS-COMPOUND vs (b) HKD-HIBOR-HKAB	<u>16 years</u>	(a): <u>Not Applicable;</u> (b): <u>One month, three months, six months and one year</u>
		Original Standard Cross-currency Rates Derivatives Transactions	Cross-currency interest rate swaps and Cross-currency basis swaps	CNY (offshore) and USD	CNY (offshore): CNH-HIBOR-TMA CNY-SHIBOR-Reuters
USD: USD-LIBOR-BBA					
HK\$ and USD	HK\$: HKD-HIBOR-HKAB			11 years	One month, three months, six months and one year
	USD: USD-LIBOR-BBA				
Original Non Deliverable Rates Derivatives Transactions	Non-deliverable interest rate swaps	CNY	CNY-CNREPOFIX=CFXS-Reuters	5.5 years	Not Applicable
		INR	INR-MIBOR-OIS-COMPOUND	11 years	Not Applicable

section 3.4.2.2

Instrument		Currencies	Floating Rate Day Count Fraction
		THB	Actual/365 (Fixed)
		TWD	Actual/365 (Fixed)

OTC Clear will accept any of the following Fixed Rate Day Count Fractions:

- (i) Actual/Actual;
- (ii) Actual/365 (Fixed);
- (iii) Actual/360;
- (iv) 30/360;
- (v) 30E/360; ~~and~~
- (vi) 30E/360 (ISDA)-; and
- (vii) Actual/Actual (ICMA).

**3.4.2.3 Business Day for Payment Dates**

- (i) with regard to an Original Standard Rates Derivatives Transaction, OTC Clear will accept such Original Standard Rates Derivatives Transaction for registration only if the financial center(s) as shown in the table below in the column entitled “Mandatory Financial Center” and marked against the relevant Contractual Currency has/have been elected for such Original Standard Rates Derivatives Transaction for the purpose of determining Payment Dates:

Contractual Currencies	Mandatory Financial Center
USD	New York
EUR	TARGET
HK\$	Hong Kong
CNY (offshore)	Beijing and Hong Kong

Additional financial center(s) (as set out in Appendix II to these Clearing Procedures) may also be elected (irrespective of the Contractual Currency of the Original Standard Rates Derivatives Transaction) for such Original Standard Rates Derivatives Transaction for the purpose of determining Payment Dates (other than Payment Dates in respect of Additional Payments which are set out in section 3.4.2.17) with no limitation in number;

- (ii) with regard to an Original Non Deliverable Rates Derivatives Transaction, OTC Clear will accept an Original Non Deliverable Rates Derivatives Transaction for registration only if the “Relevant City(ies) for Business Day for Settlement Date(s)” specified in the ND IRS Template relating to such Original Non Deliverable Rates Derivatives Transaction has/have been elected for the purpose of determining the Payment Dates;
- (iii) with regard to both an Original Standard Rates Derivatives Transaction and Original Non Deliverable Rates Derivatives Transaction, OTC Clear will accept such Original Transaction for registration only if:

#### 3.4.2.7 Effective Date

OTC Clear will accept an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction for registration only if:

- (i) only one Effective Date is applicable to that particular Original Transaction; and
- (ii) such an Effective Date is not subject to any adjustment (in accordance with any Business Day Convention).

For the avoidance of doubt, the Effective Date specified for an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction may fall prior to, after, or on the same date as the date on which such Original Transaction is submitted for registration.

#### 3.4.2.8 Calculation Period

- (i) The period of time between one Period End Date to the next following Period End Date is known as the “interval” for the purpose of this section 3.4.2.8, section 3.4.2.9 and section 3.4.2.12. For example, if the Period End Dates fall on 1 January 2013, 1 April 2013, 1 July 2013 and 1 October 2013 of calendar year 2013, then the interval will be quarterly;
- (ii) the period of time between one Payment Date to the next following Payment Date is known as the “frequency of payment” for the purpose of this section 3.4.2.8 and section 3.4.2.12. For example, if the term of an Original Transaction is one year, and the Payment Dates fall on 30 June and 30 December of that calendar year, the “frequency of payment” for that particular Original Transaction is 6 months;
- (iii) for the purpose of this section 3.4.2.8, section 3.4.2.9, section 3.4.2.10, section 3.4.2.12 and section 3.4.2.19:

- (a) with regard to a Floating Rate Payer of an Original Transaction:

- (A) “stub” will be applicable to the initial Calculation Period, the final Calculation Period, or both the initial and the final Calculation Periods in respect of such Floating Rate Payer provided that ~~the initial~~each such Calculation Period(s) (prior to any adjustment being made in accordance with the applicable Business Day Convention to the relevant Calculation Period) has a different interval than the ~~subsequent Calculation Period(s) in respect~~frequency of payment of Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members; and:

- (1) ~~if there are only two Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction, the interval of the subsequent Calculation Period is the same as the frequency of payment of Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members;~~
- or
- (2) ~~if there are more than two Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction, the interval of each subsequent Calculation Period is the same as the frequency of payment of Floating Amounts payable by such Floating Rate Payer during~~

~~the term of that particular Original Transaction as designated by the Clearing Members; and~~

(B) ~~“except for the Calculation Period(s) to which stub” will be applicable to~~ applies, the final interval of each Calculation Period in respect of such Floating Rate Payer ~~provided that the final Calculation Period~~ (prior to any adjustment being made in accordance with the applicable Business Day Convention to the relevant Calculation Period) ~~has a different interval as compared to~~ must be the preceding Calculation Period(s) in respect of ~~the frequency of payment of Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members; and;~~

~~(1) if there are only two Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction, the interval of the preceding Calculation Period is the same as the frequency of payment of Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members; or~~

~~(2) if there are more than two Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction, the interval of each preceding Calculation Period is the same as the frequency of payment of Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members; and~~

(b) with regard to a Fixed Rate Payer of an Original Transaction:

(A) ~~“stub” will be applicable to the initial Calculation Period,~~ the final Calculation Period, or both the initial and the final Calculation Periods in respect of such Fixed Rate Payer provided that ~~the initial each such~~ Calculation Period(s) (prior to any adjustment being made in accordance with the applicable Business Day Convention to the relevant Calculation Period) has a different interval as ~~compared to the subsequent Calculation Period(s) in respect of~~ frequency of payment of Fixed Amounts payable by such Fixed Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members; and;

~~(1) if there are only two Fixed Amounts payable by such Fixed Rate Payer during the term of that particular Original Transaction, the interval of the subsequent Calculation Period is the same as the frequency of payment of Fixed Amounts payable by such Fixed Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members; or~~

~~(2) if there are more than two Fixed Amounts payable by such Fixed Rate Payer during the term of that particular Original Transaction, the interval of each subsequent Calculation Period is the same as the frequency of payment of Fixed Amounts payable by such Fixed Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members; and~~

(B) ~~“except for the Calculation Period(s) to which stub” will be applicable to~~ applies, the final interval of each Calculation Period in respect of such Fixed Rate Payer ~~provided that the final Calculation Period~~ (prior to any adjustment being made in

accordance with the applicable Business Day Convention to the relevant Calculation Period) ~~has a different interval as compared to~~ must be the preceding Calculation Period(s) in respectsame as the frequency of payment of Fixed Amounts payable by such Fixed Rate Payer and during the term of that particular Original Transaction as designated by the Clearing Members;

~~(1) — if there are only two Fixed Amounts payable by such Fixed Rate Payer during the term of that particular Original Transaction, the interval of the preceding Calculation Period is the same as the frequency of payment of Fixed Amounts payable by such Fixed Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members; or~~

~~(2) — if there are more than two Fixed Amounts payable by such Fixed Rate Payer during the term of that particular Original Transaction, the interval of each preceding Calculation Period is the same as the frequency of payment of Fixed Amounts payable by such Fixed Rate Payer during the term of that particular Original Transaction as designated by the Clearing Members;~~

(iv) Floating Amount

with regard to an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction or an Original Non Deliverable Rates Derivatives Transaction and the Floating Rate Payer for that particular Original Transaction (or if a Fixed Rate Payer is not applicable to that particular Original Transaction, then each Floating Rate Payer):

(a) if there is only one Floating Amount payable by such Floating Rate Payer during the term of that particular Original Transaction, OTC Clear will accept that particular Original Transaction for registration provided that:

(A) the frequency of payment of such Floating Amount is the same as the interval of the Calculation Period of such Floating Amount as designated by the Clearing Members; and

(B) the Clearing Members specify in the relevant Approved Trade Registration System that (I) stub is inapplicable to any Calculation Period in respect of such Floating Rate Payer or (II) stub is only applicable to either the initial Calculation Period or the final Calculation Period in respect of such Floating Rate Payer, when submitting such Original Transaction for registration; or

(b) if there are two or more Floating Amounts payable by such Floating Rate Payer during the term of that particular Original Transaction, OTC Clear will accept that particular Original Transaction for registration provided that:

(A)

(1) (I) stub is applicable only to the initial Calculation Period in respect of such Floating Rate Payer; and (II) the Clearing Members specify in the relevant Approved Trade Registration System that stub is applicable only to the initial Calculation Period in respect of such Floating Rate Payer when submitting such Original Transaction for registration; or

(2) (I) stub is applicable only to the final Calculation Period in respect of such Floating Rate Payer; and (II) the Clearing Members specify in the relevant Approved Trade Registration System that stub is applicable only to the final

Calculation Period in respect of such Floating Rate Payer when submitting such Original Transaction for registration; or

~~(B)~~

- ~~(1) — the intervals for the initial Calculation Period, the final Calculation Period and (3) (I) stub is applicable to both the initial Calculation Period and the final Calculation Period in respect of such Floating Rate Payer; and (II) the Clearing Members specify in the relevant Approved Trade Registration System that stub is applicable to both the initial Calculation Period and the final Calculation Period in respect of such Floating Rate Payer when submitting such Original Transaction for registration; or~~
- ~~(4) — the Clearing Members specify in the relevant Approved Trade Registration System that stub is inapplicable to any Calculation Period in respect of such Floating Rate Payer when submitting such Original Transaction for registration; and~~

(B)

- (1) — except for the Calculation Period(s) to which stub applies, the intervals for all other Calculation Periods (if applicable) in respect of the Floating Amounts payable by the Floating Rate Payer during the term of the Original Transaction are the same; and
- ~~(2) — (2) except for the Calculation Period(s) to which stub applies, the frequency of payment of each Floating Amount is the same as the interval of the Calculation Period of each Floating Amount as designated by the Clearing Members; and~~
- ~~(3) — the Clearing Members specify in the relevant Approved Trade Registration System that stub is inapplicable to any Calculation Period in respect of such Floating Rate Payer when submitting such Original Transaction for registration;~~

(v) Fixed Amount

with regard to an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction or an Original Non Deliverable Rates Derivatives Transaction and the Fixed Rate Payer for that particular Original Transaction:

- (a) if there is only one Fixed Amount payable by the Fixed Rate Payer during the term of that particular Original Transaction, OTC Clear will accept that particular Original Transaction for registration provided that:
- (A) the frequency of payment of such Fixed Amount is the same as the interval of the Calculation Period of such Fixed Amount as designated by the Clearing Members; and
- (B) the Clearing Members specify in the relevant Approved Trade Registration System that (I) stub is inapplicable to any Calculation Period in respect of such Fixed Rate Payer or (II) stub is only applicable to either the initial Calculation Period or the final Calculation Period in respect of such Fixed Rate Payer, when submitting such Original Transaction for registration; or

~~(C) the Clearing Members specify in the relevant Approved Trade Registration System that a single fixed payment at maturity is applicable to the Calculation Period in respect of such Fixed Rate Payer when submitting such Original Transaction for registration; or~~

(b) if there are two or more Fixed Amounts payable by the Fixed Rate Payer during the term of that particular Original Transaction, OTC Clear will accept that particular Original Transaction for registration provided that:

(A)

(1) (I) stub is applicable only to the initial Calculation Period in respect of such Fixed Rate Payer; and (II) the Clearing Members specify in the relevant Approved Trade Registration System that stub is applicable only to the initial Calculation Period in respect of such Fixed Rate Payer when submitting such Original Transaction for registration; or

(2) (I) stub is applicable only to the final Calculation Period in respect of such Fixed Rate Payer; and (II) the Clearing Members specify in the relevant Approved Trade Registration System that stub is applicable only to the final Calculation Period in respect of such Fixed Rate Payer when submitting such Original Transaction for registration; or

~~(B)~~

~~(1) the intervals for the initial Calculation Period, the final Calculation Period and (3) (I) stub is applicable to both the initial Calculation Period and the final Calculation Period in respect of such Fixed Rate Payer, and (II) the Clearing Members specify in the relevant Approved Trade Registration System that stub is applicable to both the initial Calculation Period and the final Calculation Period in respect of such Fixed Rate Payer when submitting such Original Transaction for registration; or~~

~~(4) the Clearing Members specify in the relevant Approved Trade Registration System that stub is inapplicable to any Calculation Period in respect of such Fixed Rate Payer when submitting such Original Transaction for registration; and~~

(B)

(1) except for the Calculation Period(s) to which stub applies, the intervals for all other Calculation Periods (if applicable) in respect of the Fixed Amounts being payable during the term of the Original Transaction are the same; and

~~(2) (2) except for the Calculation Period(s) to which stub applies, the frequency of payment of each Fixed Amount is the same as the interval of the Calculation Period of each Fixed Amount as designated by the Clearing Members; and~~

~~(3) the Clearing Members specify in the relevant Approved Trade Registration System that stub is inapplicable to any Calculation Period in respect of such Fixed Rate Payer when submitting such Original Transaction for registration; and~~

(vi) ~~[Deleted] Floating Rate Payer and Fixed Rate Payer~~

~~with regard to an Original Standard Rates Derivatives Transaction, an Original Standard Cross currency Rates Derivatives Transaction or an Original Non Deliverable Rates Derivatives Transaction, OTC Clear will accept such Original Transaction for registration provided that:~~

~~(a) — if a Fixed Rate Payer is applicable to such Original Transaction:~~

~~(A) — stub is inapplicable to any Calculation Period in respect of the Floating Rate Payer of that particular Original Transaction and:~~

~~(1) — stub is inapplicable to any Calculation Period in respect of the Fixed Rate Payer of that particular Original Transaction; or~~

~~(2) — stub is applicable to the initial Calculation Period or the final Calculation Period (as the case may be) in respect of the Fixed Rate Payer of that particular Original Transaction;~~

~~(B) — stub is applicable to the initial Calculation Period in respect of the Floating Rate Payer of that particular Original Transaction and:~~

~~(1) — stub is inapplicable to any Calculation Period in respect of the Fixed Rate Payer of that particular Original Transaction; or~~

~~(2) — stub is applicable to the initial Calculation Period in respect of the Fixed Rate Payer of that particular Original Transaction; or~~

~~(C) — stub is applicable to the final Calculation Period in respect of the Floating Rate Payer of that particular Original Transaction and:~~

~~(1) — stub is inapplicable to any Calculation Period in respect of the Fixed Rate Payer of that particular Original Transaction; or~~

~~(2) — stub is applicable to the final Calculation Period in respect of the Fixed Rate Payer of that particular Original Transaction; or~~

~~(b) — if a Fixed Rate Payer is inapplicable to such Original Transaction:~~

~~(A) — stub is inapplicable to any Calculation Period in respect of one of the Floating Rate Payers of that particular Original Transaction and:~~

~~(1) — stub is inapplicable to any Calculation Period in respect of another Floating Rate Payer of that particular Original Transaction; or~~

~~(2) — stub is applicable to the initial Calculation Period or the final Calculation Period (as the case may be) in respect of another Floating Rate Payer of that particular Original Transaction;~~

~~(B) — stub is applicable to the initial Calculation Period in respect of one of the Floating Rate Payers of that particular Original Transaction and:~~

~~(1) — stub is inapplicable to any Calculation Period in respect of another Floating Rate Payer of that particular Original Transaction; or~~

~~(2) — stub is applicable to the initial Calculation Period in respect of another Floating Rate Payer of that particular Original Transaction; or~~

~~(C) — stub is applicable to the final Calculation Period in respect of one of the Floating Rate Payers of that particular Original Transaction and;~~

~~(1) — stub is inapplicable to any Calculation Period in respect of another Floating Rate Payer of that particular Original Transaction; or~~

~~(2) — stub is applicable to the final Calculation Period in respect of another Floating Rate Payer of that particular Original Transaction.~~

### 3.4.2.9 Interpolation

- (i) OTC Clear will accept an Original Standard Rates Derivatives Transaction (except an Original Standard Rates Derivatives Transaction for which HKD-HONIX-OIS-COMPOUND, USD-SOFR-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND or EUR-EuroSTR-COMPOUND is specified as one of the applicable Floating Rate Option(s)), an Original Standard Cross-currency Rates Derivatives Transaction or an Original Non Deliverable Rates Derivatives Transaction which is denominated in MYR, THB or TWD for registration regardless of whether interpolation is applicable or not.

In the case that interpolation is applicable to an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction or an Original Non Deliverable Rates Derivatives Transaction which is denominated in MYR, THB or TWD, OTC Clear will accept that particular Original Transaction for registration provided that:

- (a) linear interpolation is elected for the ~~initial~~ Calculation Period(s) ~~or the final Calculation Period (as the case may be)~~ in respect of the Floating Rate Payer to which stub is applicable; and
- (b) in respect of the Designated Maturities elected for interpolation:
- (A) both Designated Maturities are available for the relevant Floating Rate Option as shown in Appendix V to these Clearing Procedures; and
- (B) prior to any adjustment being made in accordance with the applicable Business Day Convention to the relevant Calculation Period to which stub applies, one of the Designated Maturities is shorter than the interval of the Calculation Period to which stub applies and another Designated Maturity is longer than the interval of the Calculation Period to which stub applies; ~~or~~
- (ii) in respect of an Original Non Deliverable Rates Derivatives Transaction which is denominated in CNY, INR or KRW, OTC Clear will accept that particular Original Transaction for registration only if interpolation is inapplicable; or
- ~~(iii) in respect of an Original Standard Rates Derivatives Transaction for which HKD-HONIX-OIS-COMPOUND, USD-SOFR-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND or EUR-EuroSTR-COMPOUND is specified as one of the applicable Floating Rate Option(s), OTC Clear will accept that particular Original Transaction for registration only if interpolation is inapplicable to the Floating Amount calculated by reference to the HKD-HONIX-OIS-COMPOUND, USD-SOFR-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND and EUR-EuroSTR-COMPOUND Floating Rate Option.~~

**3.4.2.10 Period End Date**

- ~~(i) OTC Clear will accept an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non-Deliverable Rates Derivatives Transaction which is denominated in CNY, KRW, MYR, THB or TWD for registration only if:
    - ~~(a) with respect to the Floating Rate Payer (or if a Fixed Rate Payer is not applicable to that Original Transaction, then with respect to each Floating Rate Payer) of that particular Original Transaction:
      - ~~(A) the Termination Date (or the Period End Date in respect of the final Calculation Period) for determination of the final Calculation Period and the Period End Date for determination of each Calculation Period (other than the final Calculation Period) relating to such Floating Rate Payer are subject to adjustment; or~~
      - ~~(B) the Termination Date (or the Period End Date in respect of the final Calculation Period) for determination of the final Calculation Period and the Period End Date for determination of each Calculation Period (other than the final Calculation Period) relating to such Floating Rate Payer are subject to no adjustment; and~~~~
    - ~~(b) with respect to the Fixed Rate Payer of that particular Original Transaction (if applicable):
      - ~~(A) the Termination Date (or the Period End Date in respect of the final Calculation Period) for determination of the final Calculation Period and the Period End Date for determination of each Calculation Period (other than the final Calculation Period) relating to such Fixed Rate Payer are subject to adjustment; or~~
      - ~~(B) the Termination Date (or the Period End Date in respect of the final Calculation Period) for determination of the final Calculation Period and the Period End Date for determination of each Calculation Period (other than the final Calculation Period) relating to such Fixed Rate Payer are subject to no adjustment;~~~~~~
- ~~(ii) in respect of an Original Non-Deliverable Rates Derivatives Transaction which is denominated in INR, OTC Clear will accept such Original Transaction for registration only if:
  - ~~(a) with respect to the Floating Rate Payer of that particular Original Transaction, the Termination Date (or the Period End Date in respect of the final Calculation Period) for determination of the final Calculation Period and the Period End Date for determination of each Calculation Period (other than the final Calculation Period) relating to such Floating Rate Payer are subject to adjustment; and~~
  - ~~(b) with respect to the Fixed Rate Payer of that particular Original Transaction:
    - ~~(A) the Termination Date (or the Period End Date in respect of the final Calculation Period) for determination of the final Calculation Period and the Period End Date for determination of each Calculation Period (other than the final Calculation Period) relating to such Fixed Rate Payer are subject to adjustment; or~~
    - ~~(B) the Termination Date (or the Period End Date in respect of the final Calculation Period) for determination of the final Calculation Period and the Period End Date for determination of each Calculation Period (other than the final Calculation Period) relating to such Fixed Rate Payer are subject to no adjustment; and~~~~~~

- (i) OTC Clear will accept an Original Standard Rates Derivatives Transaction (except an Original Standard Rates Derivatives Transaction for which HKD-HONIX-OIS-COMPOUND, USD-SOFR-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND or EUR-EuroSTR-COMPOUND is specified as one of the applicable Floating Rate Option(s)), an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction which is denominated in CNY, KRW, MYR, THB or TWD for registration only if the Termination Date and the Period End Date for determination of each Calculation Period of Fixed Amount with respect to the Fixed Rate Payer and of Floating Amount with respect to the Floating Rate Payer (or each Floating Rate Payer if Fixed Rate Payer is inapplicable) are either subject to adjustment on the same basis or are both not subject to adjustment respectively.
- (ii) OTC Clear will accept an Original Standard Rates Derivatives Transaction for which HKD-HONIX-OIS-COMPOUND, USD-SOFR-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND or EUR-EuroSTR-COMPOUND is specified as one of the applicable Floating Rate Option(s) and an Original Non Deliverable Rates Derivatives Transaction which is denominated in INR for registration only if the Termination Date and the Period End Dates for determination of each Calculation Period of a Floating Amount are both subject to adjustment.
- (iii) if the Period End Date(s) or Payment Date(s) is/are designated to be the last calendar day of a calendar month during the term of an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction regardless of the currency in which such Original Non Deliverable Rates Derivatives Transaction is denominated, OTC Clear will accept such Original Transaction for registration provided that:
- (a) both the Effective Date and Termination Date of that particular Original Transaction fall on the last calendar day of a relevant calendar month and regardless of whether stub is inapplicable applicable to any the initial Calculation Period, the final Calculation Period or both the initial and the final Calculation Periods in respect of:
- (A) the Floating Rate Payer and/or the Fixed Rate Payer of that particular Original Transaction; or
- (B) one of or both of the Floating Rate Payers of that particular Original Transaction if a Fixed Rate Payer is not applicable to that particular Original Transaction;
- ~~(b)~~ both the Effective Date and Termination Date of that particular Original Transaction does not fall on the last calendar day of a relevant calendar month and stub is applicable to both the initial and final Calculation Periods in respect of:
- (A) the Floating Rate Payer and/or the Fixed Rate Payer of that particular Original Transaction; or
- (B) one of or both of the Floating Rate Payers of that particular Original Transaction if a Fixed Rate Payer is not applicable to that particular Original Transaction;
- (c) the Termination Date of that particular Original Transaction falls on the last calendar day of a relevant calendar month and stub is applicable to the initial Calculation Period or both the initial and the final Calculation Periods in respect of:
- (A) the Floating Rate Payer and the Fixed Rate Payer of that particular Original Transaction; or

- (B) both of the Floating Rate Payers of that particular Original Transaction if a Fixed Rate Payer is not applicable to that particular Original Transaction; or
- (ed) the Effective Date of that particular Original Transaction falls on the last calendar day of a relevant calendar month and stub is applicable to the final Calculation Period or both the initial and final Calculation Periods in respect of:
  - (A) the Floating Rate Payer and the Fixed Rate Payer of that particular Original Transaction; or
  - (B) both of the Floating Rate Payers of that particular Original Transaction if a Fixed Rate Payer is not applicable to that particular Original Transaction; or
- (de) the Effective Date of that particular Original Transaction falls on the last Currency Day (relating to the Contractual Currency of that particular Original Transaction) of a relevant calendar month, the Termination Date of that particular Original Transaction falls on the last calendar day of the relevant month and regardless of whether stub is ~~inapplicable~~applicable to anythe initial Calculation Period, the final Calculation Period, or both the initial and the final Calculation Periods in respect of:
  - (A) the Floating Rate Payer and the Fixed Rate Payer of that particular Original Transaction; or
  - (B) both of the Floating Rate Payers of that particular Original Transaction if a Fixed Rate Payer is not applicable to that particular Original Transaction; or
- ~~(e) the Effective Date of that particular Original Transaction falls on the last Currency Day (relating to the Contractual Currency of that particular Original Transaction) of a relevant calendar month, the Termination Date of that particular Original Transaction falls on the last calendar day of a relevant calendar month and stub is applicable to the final Calculation Period in respect of:~~
  - ~~(A) the Floating Rate Payer and the Fixed Rate Payer of that particular Original Transaction; or~~
  - ~~(B) both of the Floating Rate Payers of that particular Original Transaction if a Fixed Rate Payer is not applicable to that particular Original Transaction; or~~
- (f) the Effective Date of that particular Original Transaction falls on the last Currency Day (relating to the Contractual Currency of that particular Original Transaction) of a relevant calendar month, the Termination Date of that particular Original Transaction ~~falls~~does not fall on the last calendar day of a relevant calendar month and stub is applicable to the ~~initial~~final Calculation Period or both the initial and final Calculation Periods in respect of:
  - (A) the Floating Rate Payer and the Fixed Rate Payer of that particular Original Transaction; or
  - (B) both of the Floating Rate Payers of that particular Original Transaction if a Fixed Rate Payer is not applicable to that particular Original Transaction.

#### 3.4.2.11 Payment Lag

In respect of each Original Transaction, payment lag is the number of the relevant Business Days by which the Payment Date precedes or follows the Period End Date of the relevant Calculation Period of that particular Original Transaction.

OTC Clear will accept an Original Standard Rates Derivatives Transaction (except an Original Standard Rates Derivatives Transaction for which HKD-HONIX-OIS-COMPOUND, USD-SOFR-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND or EUR-EuroSTR-COMPOUND is specified as one of the applicable Floating Rate Option(s)), an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction for registration only if the payment lag is zero.

In respect of an Original Standard Rates Derivatives Transaction for which HKD-HONIX-OIS-COMPOUND is specified as one of the applicable Floating Rate Option(s), such Original Standard Rates Derivatives Transaction will be accepted for registration only if the payment lag of the Floating Amount calculated by reference to HKD-HONIX-OIS-COMPOUND is two Hong Kong Business Days.

In respect of an Original Standard Rates Derivatives Transaction for which USD-SOFR-COMPOUND or USD-Federal Funds-H.15-OIS-COMPOUND is specified as one of the applicable Floating Rate Option(s), such Original Standard Rates Derivatives Transaction will be accepted for registration only if the payment lag of the Floating Amount calculated by reference to USD-SOFR-COMPOUND or USD-Federal Funds-H.15-OIS-COMPOUND (as the case may be) is two New York Business Days.

In respect of an Original Standard Rates Derivatives Transaction for which EUR-EuroSTR-COMPOUND is specified as one of the applicable Floating Rate Option(s), such Original Standard Rates Derivatives Transaction will be accepted for registration only if the payment lag of the Floating Amount calculated by reference to EUR-EuroSTR-COMPOUND is one TARGET Business Day.

#### 3.4.2.12 Payment Date

- (i) Original Standard Rates Derivatives Transaction and Original Standard Cross-currency Rates Derivatives Transaction

With regard to both an Original Standard Rates Derivatives Transaction and Original Standard Cross-currency Rates Derivatives Transaction, OTC Clear will accept such Original Transaction for registration only if:

- (a) with respect to the Floating Rate Payer (or if a Fixed Rate Payer is not applicable to that Original Standard Rates Derivatives Transaction or Original Standard Cross-currency Rates Derivatives Transaction, then with respect to each Floating Rate Payer), the frequency of payment of each Floating Amount payable by such Floating Rate Payer during the term of that particular Original Standard Rates Derivatives Transaction or Original Standard Cross-currency Rates Derivatives Transaction as designated by the Clearing Members is:

(A)

- (1) the same as the interval of the Calculation Period of the Floating Amount payable by such Floating Rate Payer during the term of that particular Original Standard Rates Derivatives Transaction or Original Standard Cross-currency Rates Derivatives Transaction as designated by the Clearing Members if stub is inapplicable to any Calculation Period in respect of such Floating Rate Payer; or
- (2) the same as the interval of the Calculation Period of the Floating Amount payable by such Floating Rate Payer during the term of that particular Original Standard Rates Derivatives Transaction or Original Standard Cross-currency Rates Derivatives Transaction as designated by the Clearing Members other than the interval of the ~~initial~~ Calculation Period

~~or the final Calculation Period (as the case may be)~~ in respect of such Floating Rate Payer to which stub is applicable;

(B)

(1) where applicable, the same as the Designated Maturity elected for the relevant Floating Rate Option applicable to each Calculation Period in respect of such Floating Rate Payer if stub is inapplicable to any Calculation Period in respect of such Floating Rate Payer; or

(2) where applicable, the same as the Designated Maturity elected for the relevant Floating Rate Option applicable to each Calculation Period (other than the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~ to which stub is applicable) in respect of such Floating Rate Payer;

(C) one month, three months, six months or one year if IMM Settlement Dates are inapplicable; and

(D) three months if IMM Settlement Dates are applicable; and

(b) the frequency of payment of each Fixed Amount (if applicable) being payable during the term of that particular Original Standard Rates Derivatives Transaction or Original Standard Cross-currency Rates Derivatives Transaction as designated by the Clearing Members is:

(A)

(1) the same as the interval of the Calculation Period of the Fixed Amount being payable during the term of that particular Original Standard Rates Derivatives Transaction or Original Standard Cross-currency Rates Derivatives Transaction as designated by the Clearing Members if stub is inapplicable to any Calculation Period in respect of the Fixed Rate Payer;  
~~or~~

(2) the same as the interval of the Calculation Period of the Fixed Amount being payable during the term of that particular Original Standard Rates Derivatives Transaction or Original Standard Cross-currency Rates Derivatives Transaction as designated by the Clearing Members other than the interval of the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~ in respect of the Fixed Rate Payer to which stub is applicable; or

(3) once at the maturity of that particular Original Standard Rates Derivatives Transaction as designated by the Clearing Member;

(B) one month, three months, six months~~or~~, one year, or once at maturity if IMM Settlement Dates are inapplicable; and

(C) three months if IMM Settlement Dates are applicable;

(ii) Original Non Deliverable Rates Derivatives Transaction

With regard to an Original Non Deliverable Rates Derivatives Transaction, OTC Clear will accept such Original Non Deliverable Rates Derivatives Transaction for registration only if:

- (a) in respect of an Original Non Deliverable Rates Derivatives Transaction which is denominated in CNY or INR, the frequency of payment of each Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members is:
- (A)
- (1) the same as the interval of the Calculation Period of the Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members if stub is inapplicable to any Calculation Period in respect of the Floating Rate Payer; or
- (2) the same as the interval of the Calculation Period of the Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members other than the interval of the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~ in respect of the Floating Rate Payer to which stub is applicable;
- (B) one month, three months, six months or one year if IMM Settlement Dates are inapplicable; and
- (C) three months if IMM Settlement Dates are applicable;
- (b1) in respect of an Original Non Deliverable Rates Derivatives Transaction which is denominated in KRW, the frequency of payment of each Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members is:
- (A)
- (1) the same as the interval of the Calculation Period of the Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members if stub is inapplicable to any Calculation Period in respect of the Floating Rate Payer; or
- (2) the same as the interval of the Calculation Period of the Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members other than the interval of the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~ in respect of the Floating Rate Payer to which stub is applicable;
- (B) the same as the Designated Maturity elected for the relevant Floating Rate Option applicable to the Floating Amount payable by the Floating Rate Payer; and
- (C) three months only;
- (b2) in respect of an Original Non Deliverable Rates Derivatives Transaction which is denominated in MYR or TWD, the frequency of payment of each Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members is:

(A)

- (1) the same as the interval of the Calculation Period of the Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members if stub is inapplicable to any Calculation Period in respect of the Floating Rate Payer; or
- (2) the same as the interval of the Calculation Period of the Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members other than the interval of the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~ in respect of the Floating Rate Payer to which stub is applicable;

(B)

- (1) the same as the Designated Maturity elected for the relevant Floating Rate Option applicable to each Calculation Period in respect of the Floating Rate Payer if stub is inapplicable to any Calculation Period in respect of the Floating Rate Payer; or
- (2) the same as the Designated Maturity elected for the relevant Floating Rate Option applicable to each Calculation Period (other than the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~) to which stub is applicable) in respect of the Floating Rate Payer; and

(C) three months only;

(c) in respect of an Original Non Deliverable Rates Derivatives Transaction which is denominated in THB, the frequency of payment of each Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members is:

(A)

- (1) the same as the interval of the Calculation Period of the Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members if stub is inapplicable to any Calculation Period in respect of the Floating Rate Payer; or
- (2) the same as the interval of the Calculation Period of the Floating Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members other than the interval of the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~ in respect of the Floating Rate Payer to which stub is applicable;

(B)

- (1) the same as the Designated Maturity elected for the relevant Floating Rate Option applicable to each Calculation Period in respect of the Floating Rate

- Payer if stub is inapplicable to any Calculation Period in respect of the Floating Rate Payer; or
- (2) the same as the Designated Maturity elected for the relevant Floating Rate Option applicable to each Calculation Period (other than the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~ to which stub is applicable) in respect of the Floating Rate Payer; and
- (C) six months only;
- (d) in respect of an Original Non Deliverable Rates Derivatives Transaction which is denominated in CNY, INR, KRW, MYR or TWD, the frequency of payment of each Fixed Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members is:
- (A)
- (1) the same as the interval of the Calculation Period of the Fixed Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members if stub is inapplicable to any Calculation Period in respect of the Fixed Rate Payer; ~~or~~
- (2) the same as the interval of the Calculation Period of the Fixed Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members other than the interval of the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~ in respect of the Fixed Rate Payer to which stub is applicable; or
- (3) once at maturity of that particular Original Non Deliverable Rates Derivatives Transactions as designated by the Clearing Member;
- (B) one month, three months, six months~~or~~, one year or once at maturity if IMM Settlement Dates are inapplicable; and
- (C) three months if IMM Settlement Dates are applicable; and
- (e) in respect of an Original Non Deliverable Rates Derivatives Transaction which is denominated in THB, the frequency of payment of each Fixed Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members is:
- (A)
- (1) the same as the interval of the Calculation Period of the Fixed Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members if stub is inapplicable to any Calculation Period in respect of the Fixed Rate Payer; ~~or~~

(2) the same as the interval of the Calculation Period of the Fixed Amount being payable during the term of that particular Original Non Deliverable Rates Derivatives Transaction as designated by the Clearing Members other than the interval of the ~~initial~~ Calculation Period ~~or the final Calculation Period (as the case may be)~~ in respect of the Fixed Rate Payer to which stub is applicable; ~~and/or~~

(3) once at maturity of that particular Original Non Deliverable Rates Derivatives Transactions as designated by the Clearing Member;

(B) one month, three months, six months ~~or~~ one year; or once at maturity;

(iii) Original Standard Rates Derivatives Transaction and Original Non Deliverable Rates Derivatives Transaction

With regard to both an Original Standard Rates Derivatives Transaction and Original Non Deliverable Rates Derivatives Transaction, OTC Clear will accept such Original Transaction for registration only if such Original Transaction is submitted to OTC Clear for registration prior to 19:00 hours Hong Kong time on an OTC Clearing Day that falls at least two OTC Clearing Days prior to any forthcoming Payment Date of that Original Transaction; and

(iv) Original Standard Cross-currency Rates Derivatives Transaction

With regard to an Original Standard Cross-currency Rates Derivatives Transaction, OTC Clear will accept such Original Transaction for registration only if such Original Transaction is submitted to OTC Clear for registration prior to 19:00 hours Hong Kong time on an OTC Clearing Day (other than Initial Exchange Date in respect of Initial Exchange Amount (if applicable) which is set out in section 3.4.2.28 and Payment Dates) that falls at least two OTC Clearing Days prior to any forthcoming Payment Date of that Original Transaction.

#### **3.4.2.13 Fixed Amount**

OTC Clear will accept for registration an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction to which Fixed Amount is applicable only if a Fixed Rate is specified and such rate is:

- (i) greater than or equal to zero;
- (ii) the same for each Calculation Period; and
- (iii) an integer or a number rounded up to seven or less decimal points.

For the avoidance of doubt, no amount should be specified as the Fixed Amount.

#### **3.4.2.14 Floating Rate Option**

OTC Clear will accept an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction for registration only if the Floating Rate Option elected for the Floating Amounts payable by the Floating Rate Payer (or if a Fixed Rate Payer is not applicable to that particular Original Transaction, then each Floating Rate Payer) is:

- (i) consistent with Floating Rate Options as set out in section 3.4.2.1; and

- (ii) with respect to the Floating Rate Payer (or if a Fixed Rate Payer is not applicable to that Original Transaction, then with respect to each Floating Rate Payer), the same for all the relevant Calculation Periods of the Floating Amounts payable by such Floating Rate Payer.

#### 3.4.2.15 Reset Date

OTC Clear will accept an Original Transaction for registration only if:

- (i) with regard to an Original Non Deliverable Rates Derivatives Transaction which is denominated in CNY, any Reset Date is the first day of each Compounding Period;
- (ii) with regard to an Original Non Deliverable Rates Derivatives Transaction which is denominated in INR, any Reset Date is the last day of each relevant Calculation Period;
- (iii) with regard to an Original Non Deliverable Rates Derivatives Transaction which is denominated in KRW, MYR, THB or TWD, any Reset Date is the first day of each relevant Calculation Period;
- (iv) with regard to both an Original Standard Rates Derivatives Transaction and an Original Standard Cross-currency Rates Derivatives Transaction, ~~any Reset Date is the first day of each relevant Calculation Period;~~
- (a) the Reset Date is the first day of each relevant Calculation Period; or
- (b) the Reset Date is the last day of each relevant Calculation Period if the Floating Amount of an Original Standard Rate Derivatives Transactions is calculated by reference to HKD-HONIX-OIS-COMPOUND, USD-SOFR-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND or EUR-EuroSTR-COMPOUND Floating Rate Option;
- (v) with regard to the initial Calculation Period in respect of the Floating Rate Payer (or if a Fixed Rate Payer is not applicable to that particular Original Transaction, then in respect of each Floating Rate Payer) of an Original Standard Rates Derivatives Transaction which is denominated in CNY (offshore) or USD, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction which is denominated in MYR or TWD, the determination of the rate for the Reset Date for such Calculation Period is consistent with that prescribed for in Article 7 of the ISDA Definitions except that a different Fixing Days Offset can be elected by the Clearing Members for the respective Floating Rate Option, provided that such Fixing Days Offset is:
- (a) zero; or
- (b) any number of day(s) preceding the Reset Date, provided that each of such day is a Business Day in respect of:
- (A) a financial center as shown in the table below in the column entitled “Mandatory Financial Center” and marked against the relevant Floating Rate Option; and

Floating Rate Option	Mandatory Financial Center
CNH-HIBOR-TMA	Hong Kong
<del>HKD-HIBOR-HKAB</del>	<del>Hong Kong</del>
CNY-SHIBOR-Reuters	Beijing
MYR-KLIBOR-BNM	Kuala Lumpur
TWD-TAIBOR-Reuters	Taipei

Floating Rate Option	Mandatory Financial Center
USD-LIBOR-BBA	London

- (B) any additional financial center(s) (as set out in Appendix II to these Clearing Procedures) being elected by the Clearing Members with no limitation in number;
- (vi) with regard to the initial Compounding Period in respect of the Floating Rate Payer of an Original Non Deliverable Rates Derivatives Transaction which is denominated in CNY, the determination of the rate for the Reset Date for such Compounding Period is consistent with that prescribed for in Article 7 of the ISDA Definitions except that a different Fixing Days Offset can be elected by the Clearing Members for the respective Floating Rate Option, provided that such Fixing Days Offset is:
- (a) zero; or
- (b) any number of day(s) preceding the Reset Date, provided that each of such day is a Business Day in respect of:
- (A) Beijing; and
- (B) any additional financial center(s) (as set out in Appendix II to these Clearing Procedures) being elected by the Clearing Members with no limitation in number;
- (vii) with regard to any Calculation Period (save and except the initial Calculation Period) in respect of the Floating Rate Payer (or if a Fixed Rate Payer is not applicable to that particular Original Transaction, then in respect of each Floating Rate Payer) of an Original Standard Rates Derivatives Transaction which is denominated in CNY (offshore) or USD, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction which is denominated in MYR or TWD, the determination of the rate

Transaction for registration only if Compounding is elected to be inapplicable to such Original Non Deliverable Rates Derivatives Transaction.

#### 3.4.2.19 Designated Maturity

OTC Clear will only accept an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction for registration if:

- ~~(i) In respect of an Original Standard Rates Derivatives Transaction, an Original Standard Cross currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction which is denominated in MYR, THB or TWD and the Floating Rate Payer (or if a Fixed Rate Payer is not applicable to that Original Transaction, then in respect of each Floating Rate Payer) of that particular Original Transaction, OTC Clear will accept such Original Transaction for registration only if:~~
- ~~(a) provided that stub is inapplicable to any Calculation Period in respect of such Floating Rate Payer, the Designated Maturity elected for the relevant Floating Rate Option in respect of the Floating Amounts payable by such Floating Rate Payer of that particular Original Transaction is:~~
- ~~(A) consistent with the period stipulated in section 3.4.2.1; and~~
- ~~(B) the same for all relevant Calculation Periods of the Floating Amounts payable by such Floating Rate Payer; or~~

- ~~(b) — provided that stub is applicable to the initial Calculation Period or the final Calculation Period (as the case may be) in respect of such Floating Rate Payer and:
    - ~~(A) — interpolation is applicable to the Calculation Period to which stub applies:
      - ~~(1) — the Designated Maturity elected for the relevant Floating Rate Option for each Calculation Period (other than the Calculation Period to which interpolation applies) in respect of such Floating Rate Payer of that particular Original Transaction is (I) consistent with the period stipulated in section 3.4.2.1 and (II) the same; and~~
      - ~~(2) — the Designated Maturities elected for the relevant Floating Rate Option for the Calculation Period to which interpolation applies are consistent with the requirements stipulated in section 3.4.2.9; or~~~~
    - ~~(B) — interpolation is inapplicable to the Calculation Period to which stub applies:
      - ~~(1) — the Designated Maturity elected for the relevant Floating Rate Option for each Calculation Period (other than the Calculation Period to which stub applies) in respect of such Floating Rate Payer of that particular Original Transaction is (I) consistent with the period stipulated in section 3.4.2.1 and (II) the same; and~~
      - ~~(2) — the Designated Maturity elected for the relevant Floating Rate Option for the Calculation Period to which stub applies is consistent with the period stipulated in Appendix V; or~~~~~~
- ~~(ii) — OTC Clear will accept an Original Non Deliverable Rates Derivatives Transaction which is denominated in CNY, INR or KRW for registration only if the Designated Maturity elected for the relevant Floating Rate Option in respect of the Floating Amounts payable by the Floating Rate Payer of that particular Original Transaction is:
  - ~~(a) — consistent with the period stipulated in section 3.4.2.1; and~~
  - ~~(b) — the same for all relevant Calculation Periods of the Floating Amounts payable by the Floating Rate Payer.~~~~
- (i) the Designated Maturity elected for the relevant Floating Rate Option in respect of the Floating Amounts payable by a Floating Rate Payer of that particular Original Transaction is specified as being available for that Floating Rate Option in section 3.4.2.1;
- (ii) each Calculation Period for the determination of a Floating Amount has the same Designated Maturity, except for the Calculation Period for which stub is applicable; and
- (iii) where stub is applicable in respect of a Calculation Period and interpolation is applicable, the Relevant Rate for the Reset Date in respect of the stub Calculation Period will be determined by interpolation between the Designated Maturities elected in accordance with the requirements stipulated in section 3.4.2.9; or
- (iv) where stub is applicable in respect of a Calculation Period and interpolation is not applicable, the Designated Maturity elected for the stub Calculation Period must be listed as being available for the relevant Floating Rate Option in Appendix V to these Clearing Procedures.

#### **3.4.2.20 Settlement Currency**

This is applicable to an Original Non Deliverable Rates Derivatives Transaction only.

OTC Clear will accept an Original Non Deliverable Rates Derivatives Transaction for registration only if the Settlement Currency of that particular Original Non Deliverable Rates Derivatives Transaction is USD.

**3.4.2.21 Optional Early Termination and Mandatory Early Termination**

OTC Clear will accept an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction for registration regardless of whether Optional Early Termination of such Original Transaction is applicable or not.

If Optional Early Termination is applicable to an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction, however, OTC Clear will accept that particular Original Transaction for registration only if both parties have the right to early terminate the Original Transaction.

If Optional Early Termination is provided for under the terms of an Original Standard Rates Derivatives Transaction, an Original Standard Cross-currency Rates Derivatives Transaction and an Original Non Deliverable Rates Derivatives Transaction:

- (i) OTC Clear will not maintain or record the feature of Optional Early Termination within its Rates and FX Clearing System when registering such Original Transaction;
- (ii) the Optional Early Termination feature, and its related provisions, will not form part of the Contract Terms of the Contracts created as a result of registration of such Original Transaction; and
- (iii) Clearing Members who become parties to the Contracts created as a result of registration of such Original Transaction may not exercise the right to early terminate such Contracts.

**3.4.2.28 Initial Exchange Date and Final Exchange Date**

This is applicable to an Original Standard Cross-currency Rates Derivatives Transaction only.

- (i) If Final Exchange Date is applicable, OTC Clear will accept an Original Standard Cross-currency Rates Derivatives Transaction for registration only if, prior to any adjustment being made to the Final Exchange Date in accordance with the applicable Business Day Convention, it is the same as the Termination Date.
- (ii) If Initial Exchange Date is applicable, OTC Clear will accept an Original Standard Cross-currency Rates Derivatives Transaction for registration only if:
  - (a) prior to any adjustment being made to the Initial Exchange Date in accordance with the applicable Business Day Convention, it is the same as the Effective Date; and
  - (b) such Original Transaction is submitted to OTC Clear for registration:
    - (A) prior to 19:00 hours Hong Kong time on the OTC Clear Clearing Day immediately preceding any forthcoming Initial Exchange Date of that particular Original Transaction; or
    - (B) after the Initial Exchange Date of that particular Original Transaction.

**3.4.2.29 Currency Amount**

This is applicable to an Original Standard Cross-currency Rates Derivatives Transaction only.

OTC Clear will accept an Original Standard Cross-currency Rates Derivatives Transaction for registration only if each Currency Amount in respect of a Fixed Rate Payer or Floating Rate Payer (or if a Fixed Rate Payer is not applicable to that particular Original Transaction, then each Floating Rate Payer) of that particular Original Transaction is:

- (i) greater than or equal to one unit of the relevant currency;
- (ii) an integer or a number rounded up to two or less decimal points; and
- (iii) the same for each Calculation Period during the term of that particular Original Transaction.

#### **3.4.2.30 Floating Rate**

OTC Clear will accept:

- (i) an Original Standard Rates Derivatives Transaction or an Original Standard Cross-currency Rates Derivatives Transaction for registration if:
  - (a) in respect of the initial Calculation Period of such Original Transaction:
    - (A) no Floating Rate has been designated by the Clearing Members for such Calculation Period; or
    - (B) the Floating Rate has been designated by the Clearing Members for such Calculation Period and such Floating Rate is any numerical value which is an integer or a number rounded up to seven or less decimal points, provided that no numerical Floating Rate may be designated for any Calculation Period in respect of an Original Standard Rates Derivatives Transaction for which HKD-HONIX-OIS-COMPOUND, USD-SOFR-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND or EUR-EuroSTR-COMPOUND has been specified as the Floating Rate Option; and
  - (b) in respect of any Calculation Period other than the initial Calculation Period of such Original Transaction, no Floating Rate has been designated by the Clearing Members for such Calculation Period;
- (ii) an Original Non Deliverable Rates Derivatives Transaction which is denominated in KRW, MYR, THB or TWD for registration if:
  - (a) in respect of the initial Calculation Period of such Original Transaction:
    - (A) no Floating Rate has been designated by the Clearing Members for such Calculation Period; or
    - (B) the Floating Rate has been designated by the Clearing Members for such Calculation Period and such Floating Rate is any numerical value which is an integer or a number rounded up to seven or less decimal points; and
  - (b) in respect of any Calculation Period other than the initial Calculation Period of such Original Transaction, no Floating Rate has been designated by the Clearing Members for such Calculation Period;
- (iii) an Original Non Deliverable Rates Derivatives Transaction which is denominated in CNY for registration if:
  - (a) in respect of the initial Compounding Period of such Original Transaction:
    - (A) no Floating Rate has been designated by the Clearing Members for such Compounding Period; or

- (B) the Floating Rate has been designated by the Clearing Members for such Compounding Period and such Floating Rate is any numerical value which is an integer or a number rounded up to seven or less decimal points; and
- (b) in respect of any Compounding Period other than the initial Compounding Period of such Original Transaction, no Floating Rate has been designated by the Clearing Members for such Compounding Period; and
- (iv) an Original Non Deliverable Rates Derivatives Transaction which is denominated in INR for registration only if no numerical Floating Rate has been designated ~~by the Clearing Members~~ for any Calculation Period of such Original Transaction.

For the avoidance of doubt, if the Clearing Members designate the Floating Rate for the initial Calculation Period or initial Compounding Period (as the case may be) of an Original Transaction and elect the Fixing Days Offset which is inconsistent with that prescribed for in Article 7 of the ISDA Definitions for the respective Floating Rate Option in the determination of the rate for the Reset Date for the initial Calculation Period or initial Compounding Period (as the case may be) of such Original Transaction, such Original Transaction will not be accepted by OTC Clear for registration.

**3.4.3 Specific Requirements for an Original Non Deliverable FX Derivatives Transaction**

**3.4.3.1 OTC Clear will only accept the types of Original Non Deliverable FX Derivatives Transaction as set out in the table below:**

Reference Currency	Settlement Currency	Maximum Residual Term	Valuation Days Offset
CNY	USD	2 years	2 Beijing Business Days

**Appendix I**  
**Fees Schedule**

**(v) Fee for Retrieval of Reports Removed from the Web Portal and/or Printing of Reports**

HK\$ 5 per page, up to HK\$ 1,000 per each report.

**(vi) Accommodation charges, administrative fees and/or commitment fees for credit lines in respect of any non-cash Collateral**

An accommodation charge will be charged monthly in arrears to each Clearing Member, calculated at the rate of 0.15% per annum of the average daily aggregate principal amount of non-cash Collateral outstanding across each Clearing Member's Collateral Accounts over the immediately preceding month.

**(vii) Default Interest Rate**

Default Interest Rate, with respect to an Eligible Currency, represents the higher of (i) best lending rate obtained by OTC Clear from its banker plus 2% per annum and (ii) the relevant interbank offered rate for such Eligible Currency plus 2% per annum.

**(viii) Fee for porting of Contracts between Position Accounts held by the same Clearing Member)**

HK\$ 10,000 per request

**(ix) Fee for porting of some or all Contracts to a Transferee Clearing Member**

**(a) Partial porting of Contracts:** HK\$ 20,000 per request

**(b) Full porting of Contracts:** HK\$ 20,000 per request

For the avoidance of doubt, no fees will be charged for the porting of Contracts and Collateral held by a Defaulting Clearing Member to a Replacement Clearing Member upon the occurrence of a DMP Event.

**(x) Fee for each request for deposit, porting or withdrawal of non-cash Collateral**

**(a) Deposit:** Charge at cost

**(b) Porting:** Charge at cost

**(c) Withdrawal:** Charge at cost

For the avoidance of doubt, no fees will be charged for the porting of non-cash Collateral held by a Defaulting Clearing Member to a Replacement Clearing Member upon the occurrence of a DMP Event.

Note:

Backloading applies when (a) the Trade Date of a Contract registered in the name of a Clearing Member precedes the commencement of the Membership of that particular Clearing Member; or (b) the Trade Date of an Original Transaction submitted for registration as Contracts precedes the effective date of the amendment in the specific product eligibility requirements (as set out in section 3.4 of the Clearing Procedures) and such Original Transaction, but for such amendment, would have not been accepted for registration.

\* If (a) the Trade Date of an Original Transaction precedes the date on which such Original Transaction is submitted to OTC Clear for registration by more than 1 OTC Clear Clearing Day and backloading does not apply; or (b) the aggregate notional amount of Contracts cleared by a Clearing Member exceeds an amount notified in a Clearing Notice to Clearing Members by OTC Clear, the relevant registration fee or such lesser amount as OTC Clear may from time to time agree with the Clearing Member will apply.

**Appendix V**

**Floating Rate Options and Designated Maturities Accepted available for Interpolation and for a Stub Calculation Period to which Stub or Interpolation is Applicable**

<b>Floating Rate Option</b>	<b>Designated Maturity</b>
CNH-HIBOR-TMA	One Month, Three Months, Six Months and One Year
CNY-SHIBOR-Reuters	One Month, Three Months, Six Months and One Year
EUR-EURIBOR-Reuters	One Week, One Month, <del>Two Months</del> , Three Months, Six Months, and One Year
EUR-LIBOR-BBA	One Week, One Month, Two Months, Three Months, Six Months and One Year
HKD-HIBOR-HKAB	One Month, Two Months, Three Months, Six Months and One Year
USD-LIBOR-BBA	One Week, One Month, Two Months, Three Months, Six Months and One Year
MYR-KLIBOR-BNM	One Month, Two Months, Three Months, Six Months and One Year
THB-THBFIX-Reuters	One Month, Three Months, Six Months and One Year
TWD-TAIBOR-Reuters	One Month, Two Months, Three Months and Six Months
<u>KRW-CD-KSDA-Bloomberg</u>	<u>Three Months</u>
<u>KRW-CD-3220</u>	<u>Three Months</u>