

Chapter 25 Product Specific Terms for Standard Cross-currency Rates Derivatives Contracts

Product Specific Terms for Standard Cross-currency Rates Derivatives Contracts

2501. The terms of a Standard Cross-currency Rates Derivatives Contract shall include the following terms (together, the “**Standard Cross-currency Rates Derivatives Contract Terms**”):

- (1) Clearing Rules 2503 to 2510 (the “**Interpretation Provisions**”);
- (2) the Economic Terms; and
- (3) the General Terms, as set out in Clearing Rules 2517 to 2522,

each as interpreted in accordance with the Interpretation Provisions.

2502. In the event of any inconsistency between the Economic Terms and General Terms, the General Terms will prevail.

Interpretation

2503. The ISDA Definitions are incorporated by reference into these Standard Cross-currency Rates Derivatives Contract Terms. Unless otherwise specified, capitalized terms used in the Standard Cross-currency Rates Derivatives Contract Terms but not defined in the Clearing Documentation shall have the meanings given to them in the ISDA Definitions. In the event of any inconsistency between the ISDA Definitions and the Clearing Documentation, the Clearing Documentation will prevail.

2504. In respect of a Standard Cross-currency Rates Derivatives Contract with one of the notional amounts denominated in CNY (offshore), the CNY (offshore) Disruption Provisions shall be incorporated by reference into the relevant Standard Cross-currency Rates Derivatives Contract Terms.

2505. In deriving the Economic Terms of the Standard Cross-currency Rates Derivatives Contract from the Transaction Data of the corresponding Original Standard Cross-currency Rates Derivatives Transaction, all references in the ISDA Definitions to a “**Transaction**” shall be deemed to be an “**Original Standard Cross-currency Rates Derivatives Transaction**”.

2506. Subject to subsequent ISDA Amendment adopted by OTC Clear pursuant to Clearing Rule 2507, the ISDA Definitions and the Standard Cross-currency Rates Derivatives Contract Terms applicable to a Standard Cross-currency Rates Derivatives Contract shall be those applicable as at the Registration Time of such Standard Cross-currency Rates Derivatives Contract.

2507. In case of any amendment to the ISDA Definitions, or publication of any supplement, annex or protocol by ISDA relating to the ISDA Definitions or amendment to the CNY (offshore) Disruption Provisions (each an “**ISDA Amendment**”), OTC Clear may, in its sole discretion, determine whether any such ISDA Amendment should be adopted for the purpose of interpreting or implementing the Standard Cross-currency Rates Derivatives Contract Terms, the manner of any such adoption and when such adoption shall take effect, and notify all Clearing Members of the same. Any non-receipt of such notice by Clearing Members shall not invalidate the effectiveness of the adoption of ISDA Amendment by OTC Clear.

2508. In respect of any adoption of ISDA Amendment by OTC Clear, such adopted ISDA Amendment shall govern the Standard Cross-currency Rates Derivatives Contract Terms of each Standard Cross-currency Rates Derivatives Contract then registered with OTC Clear, and any prospective payment obligations arising out of each such Standard Cross-currency Rates Derivatives Contract shall be construed accordingly.

- 2508A. For the avoidance of doubt, the ISDA Definitions shall govern the Standard Cross-currency Rates Derivatives Contract Terms of each Standard Cross-currency Rates Derivatives Contract then registered with OTC Clear, and any prospective payment obligations arising out of each such Standard Cross-currency Rates Derivatives Contract shall be construed accordingly. Any reference to a Rate Option defined in the 2006 ISDA Definitions as set out in Appendix VI to the Clearing Procedures shall be deemed to be a reference to the equivalent Floating Rate Option as defined in the ISDA Definitions as set out opposite each such Rate Option.
2509. The Standard Cross-currency Rates Derivatives Contract Terms supplement, form part of, and are subject to these Clearing Rules. In the event of any inconsistency between the Standard Cross-currency Rates Derivatives Contract Terms and these Clearing Rules, these Clearing Rules will prevail.
2510. Except where expressly stated otherwise, all reference to “**Sections**” means Sections in the ISDA Definitions.

Economic Terms

2511. The Economic Terms of a Standard Cross-currency Rates Derivatives Contract are derived from the Transaction Data relating to the corresponding Original Standard Cross-currency Rates Derivatives Transaction. The Original Standard Cross-currency Rates Derivatives Transaction submitted to OTC Clear for registration must include information that satisfies each of the Economic Terms fields set out in Clearing Rule 2512.
2512. The Economic Terms fields comprise:
- (1) Trade Date (see Section 3.1.1 of the ISDA Definitions);
 - (2) Effective Date (see Section 3.1.2 of the ISDA Definitions);
 - (3) Termination Date (see Section 3.1.3 of the ISDA Definitions);
 - (4) Initial Exchange:
 - (a) Initial Exchange Date (see Section 3.1.5 of the ISDA Definitions) (if applicable);
 - (b) Initial Exchange Amounts (see Section 4.1.2 of the ISDA Definitions) (if applicable);
 - (c) the Payer of each Initial Exchange Amount (if applicable);
 - (5) Final Exchange:
 - (a) Final Exchange Date (see Section 3.1.7 of the ISDA Definitions) (if applicable);
 - (b) Final Exchange Amounts (see Section 4.3.2 of the ISDA Definitions) (if applicable);
 - (c) the Payer of each Final Exchange Amount (if applicable);
 - (6) Additional Payments/Fees:
 - (a) the Payer of the Additional Payments/Fees (if applicable);
 - (b) the amount of the Additional Payments/Fees (specify zero if none);
 - (c) the Additional Payments/Fees dates (if applicable);
 - (7) Business Days (see Section 2.1.1 of the ISDA Definitions);
 - (8) Business Day Convention (see Section 2.3 of the ISDA Definitions);
 - (9) Where Fixed Rate – Floating Rate Swap:

- (a) Fixed Amount Payer (see Section 5.1.3 of the ISDA Definitions);
 - (b) Fixed Amount Payer Payment Dates;
 - (c) Fixed Amount Payer Delayed Payment and a period of days (if applicable) (see Section 3.1.9 of the ISDA Definitions);
 - (d) Fixed Rate and Fixed Rate Day Count Fraction;
 - (e) Fixed Amount Payer Currency Amount (see Section 4.4.3 of the ISDA Definitions);
 - (f) Floating Amount Payer (see Section 6.1.2 of the ISDA Definitions);
 - (g) Floating Amount Payer Payment Dates;
 - (h) Floating Amount Payer compounding dates (if applicable);
 - (i) Floating Amount Payer Currency Amount (see Section 4.4.3 of the ISDA Definitions);
 - (j) Floating Rate Option (see Section 6.5.1 of the ISDA Definitions);
 - (k) Floating Amount Payer Delayed Payment and a period of days (if applicable) (see Section 3.1.9 of the ISDA Definitions);
 - (l) Designated Maturity (see Section 6.7.4 of the ISDA Definitions) (if applicable);
 - (m) Linear Interpolation (see Section 6.10.1 of the ISDA Definitions), Shorter Designated Maturity and Longer Designated Maturity (see Section 6.10.2 of the ISDA Definitions) (if applicable);
 - (n) Spread (if applicable) (see Section 6.5.4 of the ISDA Definitions);
 - (o) Reset Dates (see Section 6.5.5 of the ISDA Definitions);
 - (p) Floating Rate Day Count Fraction (see Section 6.5.3 of the ISDA Definitions);
 - (q) Floating Rate (if applicable) (see Section 6.3.1 of the ISDA Definitions);
- (10) Where Floating Rate – Floating Rate Swap (“**basis**” swap):
- (a) Floating Amount Payer 1 (see Section 6.1.2 of the ISDA Definitions):
 - (A) Floating Amount Payer Payment Dates;
 - (B) Floating Amount Payer compounding dates (if applicable);
 - (C) Floating Amount Payer Currency Amount (see Section 4.4.3 of the ISDA Definitions);
 - (D) Floating Rate Option (see Section 6.5.1 of the ISDA Definitions);
 - (E) Floating Amount Payer Delayed Payment and a period of days (if applicable) (see Section 3.1.9 of the ISDA Definitions);
 - (F) Designated Maturity (see Section 6.7.4 of the ISDA Definitions);
 - (G) Linear Interpolation (see Section 6.10.1 of the ISDA Definitions), Shorter Designated Maturity and Longer Designated Maturity (see Section 6.10.2 of the ISDA Definitions) (if applicable);

- (H) Spread (if applicable) (see Section 6.5.4 of the ISDA Definitions);
- (I) Reset Dates (see Section 6.5.5 of the ISDA Definitions);
- (J) Floating Rate Day Count Fraction (see Section 6.5.3 of the ISDA Definitions);
- (K) Floating Rate (if applicable) (see Section 6.3.1 of the ISDA Definitions);

(b) Floating Amount Payer 2 (see Section 6.1.2 of the ISDA Definitions):

- (A) Floating Amount Payer Payment Dates;
- (B) Floating Amount Payer compounding dates (if applicable);
- (C) Floating Amount Payer Currency Amount (see Section 4.4.3 of the ISDA Definitions);
- (D) Floating Rate Option (see Section 6.5.1 of the ISDA Definitions);
- (E) Floating Amount Payer Delayed Payment and a period of days (if applicable) (see Section 3.1.9 of the ISDA Definitions);
- (F) Designated Maturity (see Section 6.7.4 of the ISDA Definitions);
- (G) Linear Interpolation (see Section 6.10.1 of the ISDA Definitions), Shorter Designated Maturity and Longer Designated Maturity (see Section 6.10.2 of the ISDA Definitions) (if applicable);
- (H) Spread (if applicable) (see Section 6.5.4 of the ISDA Definitions);
- (I) Reset Dates (see Section 6.5.5 of the ISDA Definitions);
- (J) Floating Rate Day Count Fraction (see Section 6.5.3 of the ISDA Definitions);
- (K) Floating Rate (if applicable) (see Section 6.3.1 of the ISDA Definitions);
and

(11) Details of the relevant financial center(s) must be indicated in the Original Standard Cross-currency Rates Derivatives Transaction.

2513. Pursuant to Clearing Rule 806(1), (1) if Clearing Member 1 was the party paying an Initial Exchange Amount (“**Initial Exchange Amount C**”) and a Final Exchange Amount (“**Final Exchange Amount D**”) to, and receiving an Initial Exchange Amount (“**Initial Exchange Amount E**”) and a Final Exchange Amount (“**Final Exchange Amount F**”) from, Clearing Member 2, and Clearing Member 2 was the party paying Initial Exchange Amount E and Final Exchange Amount F to, and receiving Initial Exchange Amount C and Final Exchange Amount D from, Clearing Member 1 under an Original Standard Cross-currency Rates Derivatives Transaction, then upon registration of the same as two Standard Cross-currency Rates Derivatives Contracts between OTC Clear and each of Clearing Member 1 and Clearing Member 2, and when deriving the relevant Economic Terms relating to any Payer of Initial Exchange Amount and Payer of Final Exchange Amount from the Transaction Data of the corresponding Original Standard Cross-currency Rates Derivatives Transaction, the terms shall be derived such that OTC Clear will pay Initial Exchange Amount C and Final Exchange Amount D to, and receive Initial Exchange Amount E and Final Exchange Amount F from, Clearing

Member 2 and pay Initial Exchange Amount E and Final Exchange Amount F to, and receive Initial Exchange Amount C and Final Exchange Amount D from, Clearing Member 1; and (2) if Clearing Member 1 was the party paying a rate ("**Rate A**") to, and receiving a rate ("**Rate B**") from, Clearing Member 2, and Clearing Member 2 was the party paying Rate B to, and receiving Rate A from, Clearing Member 1 under an Original Standard Cross-currency Rates Derivatives Transaction, then upon registration of the same as two Standard Cross-currency Rates Derivatives Contracts between OTC Clear and each of Clearing Member 1 and Clearing Member 2, and when deriving the relevant Economic Terms relating to any Floating Amount Payer and/or Fixed Amount Payer from the Transaction Data of the corresponding Original Standard Cross-currency Rates Derivatives Transaction, the terms shall be derived such that OTC Clear will pay Rate A to, and receive Rate B from, Clearing Member 2 and pay Rate B to, and receive Rate A from, Clearing Member 1.

2514. Pursuant to Clearing Rule 806(2), (1) if the Relevant Client was the party paying an Initial Exchange Amount ("**Initial Exchange Amount C**") and a Final Exchange Amount ("**Final Exchange Amount D**") to, and receiving an Initial Exchange Amount ("**Initial Exchange Amount E**") and a Final Exchange Amount ("**Final Exchange Amount F**") from, Clearing Member 4, and Clearing Member 4 was the party paying Initial Exchange Amount E and Final Exchange Amount F to, and receiving Initial Exchange Amount C and Final Exchange Amount D from, the Relevant Client under an Original Standard Cross-currency Rates Derivatives Transaction, then upon registration of the same as two Standard Cross-currency Rates Derivatives Contracts between OTC Clear and Clearing Member 3 (in respect of its Client Position Account relating to the Relevant Client) and Clearing Member 4 (in respect of its House Position Account), and when deriving the relevant Economic Terms relating to any Payer of Initial Exchange Amount and Payer of Final Exchange Amount from the Transaction Data of the corresponding Original Standard Cross-currency Rates Derivatives Transaction, the terms shall be derived such that OTC Clear will pay Initial Exchange Amount C and Final Exchange Amount D to, and receive Initial Exchange Amount E and Final Exchange Amount F from, Clearing Member 4 (in respect of its House Position Account) and pay Initial Exchange Amount E and Final Exchange Amount F to, and receive Initial Exchange Amount C and Final Exchange Amount D from, Clearing Member 3 (in respect of its Client Position Account relating to the Relevant Client), and (2) if the Relevant Client was the party paying a rate ("**Rate A**") to, and receiving a rate ("**Rate B**") from, Clearing Member 4, and Clearing Member 4 was the party paying Rate B to, and receiving Rate A from, the Relevant Client under an Original Standard Cross-currency Rates Derivatives Transaction, then upon registration of the same as two Standard Cross-currency Rates Derivatives Contracts between OTC Clear and Clearing Member 3 (in respect of its Client Position Account relating to the Relevant Client) and Clearing Member 4 (in respect of its House Position Account), and when deriving the relevant Economic Terms relating to any Floating Amount Payer and/or Fixed Amount Payer from the Transaction Data of the corresponding Original Standard Cross-currency Rates Derivatives Transaction, the terms shall be derived such that OTC Clear will pay Rate A to, and receive Rate B from, Clearing Member 4 (in respect of its House Position Account) and pay Rate B to, and receive Rate A from, Clearing Member 3 (in respect of its Client Position Account relating to the Relevant Client).

If, pursuant to Clearing Rule 806(2)(c), Clearing Member 3 and Clearing Member 4 are the same Clearing Member, then OTC Clear will pay Rate A, Initial Exchange Amount C and Final Exchange Amount D to, and receive Rate B, Initial Exchange Amount E and Final Exchange Amount F from, such Clearing Member's House Position Account, and will pay Rate B, Initial Exchange Amount E and Final Exchange Amount F to, and receive Rate A, Initial Exchange Amount C and Final Exchange Amount D from, such Clearing Member's Client Position Account relating to the Relevant Client.

2515. Pursuant to Clearing Rule 806(3), (1) if Client 1 was the party paying an Initial Exchange Amount (“**Initial Exchange Amount C**”) and a Final Exchange Amount (“**Final Exchange Amount D**”) to, and receiving an Initial Exchange Amount (“**Initial Exchange Amount E**”) and a Final Exchange Amount (“**Final Exchange Amount F**”) from, Client 2, and Client 2 was the party paying Initial Exchange Amount E and Final Exchange Amount F to, and receiving Initial Exchange Amount C and Final Exchange Amount D from, Client 1 under an Original Standard Cross-currency Rates Derivatives Transaction, then upon registration of the same as two Standard Cross-currency Rates Derivatives Contracts between OTC Clear and Clearing Member 5 (in respect of its Client Position Account relating to Client 1) and Clearing Member 6 (in respect of its Client Position Account relating to Client 2), and when deriving the relevant Economic Terms relating to any Payer of Initial Exchange Amount and Payer of Final Exchange Amount from the Transaction Data of the corresponding Original Standard Cross-currency Rates Derivatives Transaction, the terms shall be derived such that OTC Clear will pay Initial Exchange Amount C and Final Exchange Amount D to, and receive Initial Exchange Amount E and Final Exchange Amount F from, Clearing Member 6 (in respect of its Client Position Account relating to Client 2) and pay Initial Exchange Amount E and Final Exchange Amount F to, and receive Initial Exchange Amount C and Final Exchange Amount D from, Clearing Member 5 (in respect of its Client Position Account relating to Client 1), and (2) if Client 1 was the party paying a rate (“**Rate A**”) to, and receiving a rate (“**Rate B**”) from, Client 2, and Client 2 was the party paying Rate B to, and receiving Rate A from, Client 1 under an Original Standard Cross-currency Rates Derivatives Transaction, then upon registration of the same as two Standard Cross-currency Rates Derivatives Contracts between OTC Clear and Clearing Member 5 (in respect of its Client Position Account relating to Client 1) and Clearing Member 6 (in respect of its Client Position Account relating to Client 2), and when deriving the relevant Economic Terms relating to any Floating Amount Payer and/or Fixed Amount Payer from the Transaction Data of the corresponding Original Standard Cross-currency Rates Derivatives Transaction, the terms shall be derived such that OTC Clear will pay Rate A to, and receive Rate B from, Clearing Member 6 (in respect of its Client Position Account relating to Client 2) and pay Rate B to, and receive Rate A from, Clearing Member 5 (in respect of its Client Position Account relating to Client 1).

If, pursuant to Clearing Rule 806(3)(c), Clearing Member 5 and Clearing Member 6 are the same Clearing Member, then OTC Clear will pay Rate A, Initial Exchange Amount C and Final Exchange Amount D to, and receive Rate B, Initial Exchange Amount E and Final Exchange Amount F from, such Clearing Member’s Client Position Account relating to Client 2, and will pay Rate B, Initial Exchange Amount E and Final Exchange Amount F to, and receive Rate A, Initial Exchange Amount C and Final Exchange Amount D from, such Clearing Member’s Client Position Account relating to Client 1.

General Terms

2516. Clearing Rules 2517 to 2522 are designated as General Terms of a Standard Cross-currency Rates Derivatives Contract.

Clearing Rules

2517. A Standard Cross-currency Rates Derivatives Contract shall be subject to the Clearing Rules, which shall form a part of its terms. In the event of any inconsistency between these Contract Terms and the Clearing Rules, the Clearing Rules will prevail.

Floating Negative Interest Rates

2518. Notwithstanding Section 6.8.1 of the ISDA Definitions, “**Floating Negative Interest Rate Method**” will be deemed to apply to a Standard Cross-currency Rates Derivatives Contract and

Sections 6.8.2 and 6.8.3 of the ISDA Definitions will apply to a Standard Cross-currency Rates Derivatives Contract.

Rounding

2519. Section 4.8 of the ISDA Definitions will apply to a Standard Cross-currency Rates Derivatives Contract.

Tax Provisions

2520. Chapter 11 of these Clearing Rules shall form part of the Standard Cross-currency Rates Derivatives Contract Terms as if they were set out in full herein.

Calculation Agent

2521. OTC Clear shall be deemed the Calculation Agent in respect of each Standard Cross-currency Rates Derivatives Contract.

Governing Law

2522. Each Standard Cross-currency Rates Derivatives Contract shall be governed by and construed in accordance with the laws of Hong Kong and the parties irrevocably agree for the benefit of OTC Clear that the courts of Hong Kong shall have exclusive jurisdiction to hear and determine any action or dispute which may arise here from. Each Clearing Member hereto irrevocably submits to such jurisdiction and agrees to waive any objection it might otherwise have to such jurisdiction, save that this submission to the jurisdiction of the courts of Hong Kong shall not (and shall not be construed so as to) limit the right of OTC Clear to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude OTC Clear from taking action in any other jurisdiction, whether concurrently or not.