



香港期貨交易所有限公司  
HONG KONG FUTURES EXCHANGE LTD.

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**Member Circular**

Dear Members,

**Re: Omnibus Accounts - Margin Requirements**

The Exchange has recently received enquiries from Members regarding procedures for carrying non-member omnibus accounts. This circular is to remind HKFE Members of particular rules and procedures applicable to HKFE Members which carry omnibus accounts for clients (regardless of whether such clients are HKFE Members). In general, please refer to Exchange Rules 612-615.

1. **Information Filing.** An HKFE Member must file with the Exchange an up-to-date list of all the omnibus accounts maintained by such HKFE Member. *612(a) (deleted) 1 Apr 2001*
2. **Position Maintenance.** An HKFE Member must also ensure that all client positions of an omnibus non-member brokerage firm are maintained on its own books on a gross open position basis. An HKFE Member must ensure that open/close indications are provided either at the time of each order being received/executed or when the omnibus account is being balanced between non-member and Clearing Member at the end of the day prior to submitting the Daily Trading Statement to HKCC for trade registration. Therefore, it would not be uncommon for an omnibus account to be both long and short the same futures contracts and/or options series as the omnibus account would be representing different client positions.
3. **Margin Requirements.** An HKFE Member must ensure that all omnibus accounts are carried on a gross position basis as indicated above and further, are margined on a gross position basis. More specifically, the clients of an omnibus account must be margined as if those clients were the direct clients of the Member. For avoidance of doubt, all non-member brokerage firms should maintain separate margin requirements for each of its clients, and in no case may the omnibus non-member brokerage firm offset or net any of one client's positions against those of another client for margin purposes.

Note: Spread positions held for one beneficial owner (client) can be claimed by the non-member to the Clearing Member who, in turn, may claim these spreads to HKCC.

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The above principles also apply to an HKFE Member which carries an omnibus account which in turn carries further removed omnibus non-member accounts which likewise carry client accounts. In short, the HKCC member's position with HKCC should be the same, on a gross position basis, as the combination of all client positions held by the collective omnibus non-members.

The above explanation constitutes merely a highlight of the existing rules governing omnibus accounts. For further details, kindly refer to the relevant Exchange Rules. Finally, please note that a breach of these requirements constitutes a violation of the Exchange Rules.

Thank you.

Yours faithfully,  
For and on behalf of  
**HONG KONG FUTURES EXCHANGE LIMITED**



Gary G. Knight  
Chief Executive