

Options Clearing Rules

**CHAPTER 6**

**RISK MANAGEMENT AND PAYMENT PROCEDURES**

**Special Block Trade Margin**

- 615A. (1) If in the opinion of SEOCH or the Exchange, the executed price of a Block Trade is not fair and reasonable or a significant deviation exists between the executed price and the prevailing market price or between the executed price and the theoretical price determined by SEOCH, or if a Block Trade is executed at such a price that an Intra-day Margin would have been demanded had the trade been executed or as if it has been executed as a normal trade in the Central Orderbook, SEOCH may, within 30 minutes after the Block Trade is executed, demand a Special Block Trade Margin from the relevant SEOCH Participant.

**CHAPTER 7**

**DEFAULT PROCEDURES**

**Default**

703. Steps which may be taken by SEOCH in relation to a defaulting, suspended or resigning SEOCH Participant, without the need for any prior notice to or consent of that SEOCH Participant, include:-
- (2a) to direct that SEOCH Participant or to act on its behalf, to sell any Contracts to which that SEOCH Participant is party by auction and/or private arrangement on-market or off-market;
  - (6) to direct that SEOCH Participant or to act on its behalf, to make or procure the making of any OCH Contracts to which that SEOCH Participant will be party via auction and/or private arrangement, including, without limitation, any OCH Contracts for the purpose of hedging risk to which that SEOCH Participant is exposed;

**Indemnity**

713. A SEOCH Participant shall indemnify SEOCH, the Exchange and a recognized exchange controller which is the controller of SEOCH and keep SEOCH, the Exchange and a recognized exchange controller which is the controller of SEOCH indemnified from and against any loss, cost (including cost of enforcement), interests, liability (including any tax or other fiscal liability), claim or damage which SEOCH, the Exchange and a recognized exchange controller which is the controller of SEOCH incur or suffer, directly or indirectly, as a consequence of the use of the Options System by that SEOCH Participant or any default by that SEOCH Participant, whether or not SEOCH takes any steps pursuant to Clearing Rule 703 or any other steps under these Clearing Rules.