



Briefing for Post Trade Operations on Derivatives Holiday Trading

假期交易的交易後業務營運簡介會

4:30-6:00pm, 6 Apr 2022 (Wednesday)

下午4時30分至6時正, 2022年4月7日(星期四)

HKEX
香港交易所

Agenda

- 01 | Overview of Clearing and Risk Management Arrangements
- 02 | Operational Highlights
- 03 | Recommended Risk Control
- 04 | Q & A session
- 05 | Appendices



Key Terminology for Derivatives Holiday Trading

H CPs : Holiday Clearing Participants

NH CPs: Non-Holiday Clearing Participants

H-1 Day: The business day before Holiday Trading Day

H Day: Holiday Trading Day

H+1 Day: The business day after Holiday Trading Days

Example of Buddha Holiday

Scenario	H-1	H Day	H+1
Date	6 May 2022 (Friday)	9 May 2022 (Monday)	10 May 2022 (Tuesday)



Overview of Clearing and Risk Management Arrangements



Overview of Clearing and Risk Management Arrangements on H day

Clearing & Collateral Management		
	Post-trade Activities	✓
	Collateral Withdrawal	✗
Risk Management		
Margining	Initial Margin and Variation Adjustment (“VA”) for <u>all</u> HKFE products	✓
	Additional Margin <i>(e.g. Concentration risk margin, CBPL margin, RF additional margin)</i>	✓
	Mandatory Intra-Day VA and Margin Call arrangement	✓ <i>(applicable to <u>all</u> HKFE products and extend to every trading day)</i>
	Holiday Margin (i) NH Products & (ii) H Products having margin offset with (i)	Apply Holiday Margin
	(iii) Other H Products	Follow Normal Margin
	Margin Offset	✓
RF	RF sizing and settlement (including collection of additional contribution)	✗
Others	Default Management	✓
	Recovery Plan	✗

- No settlement and post trade activities on H Days for NH CPs



Collateral for Margin and VA on H Days

Summary

Margin

- HKD / USD contracts : Temporarily suspend the 50-50 collateral rule on H Days, accept > 50% of non-settlement currency as collateral
- RMB / SGD / JPY contracts : Follow the same arrangement as HK Business Days#

VA

- HKD contracts : Settled in HKD first, any outstanding balance can be covered by USD
- USD / RMB / SGD / JPY contracts : Follow the same arrangement as HK BD (i.e. 100% settlement currency)
- Exceptional handling for HKD/USD VA Settlement on H Day which is HK & US Mutual Holiday (*Refer to Slide 10*)

Refer to [Appendix 1](#) for details

Note :

The following collateral caps are still in place and will be extended to all H Days : (1) Non-cash collateral could only satisfy up to 50% of the margin requirement and (2) Existing SGD limit as a general collateral (i.e. SGD 25 mn per CP) for non-SGD denominated contracts is still in place

RMB margin requirement can be satisfied by eligible collateral other than RMB cash up to RMB1 billion, beyond which must be satisfied by RMB cash. Same mechanism is applied to SGD and JPY margin requirement with threshold of SGD25million and JPY750 million respectively.



Operational Highlights



Derivative Holiday Trading Arrangement Overview

Clearing Participant is **eligible** to become a H CP on 9 May 2022 if they have

1. Successfully completed in **Readiness Test** and register as H CPs in Registration Link¹ by 14 April 2022
2. Confirmed **trading, clearing operational and back office systems** readiness
3. Confirmed the **appointed settlement bank** can support on H Day

H CPs

1. Eligible to conduct post trade **MSCI products** and **all other HKFE products** on H Day
2. H CPs will be required to settle **all payment obligations** on all HKFE products on H Day
3. **Clearing and Settlement services timeline** in HKCC would follow that of the current Business Days
4. Both **DCASS and CCMS Reports will release** to CP on all Trading Days

NH CPs

1. **NOT** eligible to conduct post trade all HKFE products.
2. NH CPs will **NOT** be required to fulfil HKCC payment obligations during H Days
3. Both **DCASS and CCMS Reports will release** to CP on all Trading Days



¹Registration Link: https://hkex.syd1.qualtrics.com/jfe/form/SV_e3OPsXGYbXOf9ky

H CPs Operation Highlights – Settlement & Collateral Management

Business Day (H-1 Day)	Holiday Trading Day (H Day)	Business Day (H+1 Day)
<ol style="list-style-type: none"> 1. Prepare sufficient funding on H Day 2. Report layout change CCMPY02 (Appendix 2) 	<ol style="list-style-type: none"> 1. Cash settlement obligation / Settlement services timeline: No change 2. Collateral deposit service: No Change 3. Collateral withdrawal services: Not Available 4. Collateralisation During the day: Collect USD for HKD VA & Margin obligation; threshold unchanged Prepare funding: Collect HKD on H+1 Day, refer to CCMPY02 4. Standing Withdrawal Instruction and Selected Currency arrangement for margin shortfall: Suppressed 	<p>To withdraw USD collateral</p> <ul style="list-style-type: none"> • Input the withdrawal instruction • CPs may input Deposit Order in another currency by 09:15 to substitute the USD collateral



H CPs Operation Highlights - Settlement & Collateral Management

Special arrangement on mutual HK and US holidays

Business Day (H-1 Day)	Holiday Trading Day (H Day)	Business Day (H+1)
<p>Prepare sufficient funding for H Day:</p> <ul style="list-style-type: none">- collateral deposit into CCMS by 11:00- sufficient funding in CP's bank accounts <p>[NEW] Allow advance collateral deposit up to 16:00 by submitting written request</p>	<p>[NEW] If insufficient USD* to be settled - request HKCC for alternative currency settlement arrangement. This means,</p> <ol style="list-style-type: none">1. It is an exception handling. Such written request is subject to HKCC's approval;2. HKCC supports on a best effort basis; and3. H CP shall still observe the respective payment deadline as in a normal business day, or it would be regarded as late payment <p><i>* Only applied to insufficient USD, i.e. all payment obligations in other currencies must be settled in their original currencies.</i></p>	<p>To withdraw alternative currency</p> <ul style="list-style-type: none">• Input the withdrawal instruction• CPs may input Deposit Order in another currency by 9:15a.m. to substitute the USD collateral



NH CPs Operation Highlights - Settlement & Collateral Management

Business Day (H-1 Day)	Holiday Trading Day (H Day)	Business Day (H+1 Day)
<p>T Session H-1 day's Payment obligation will be settled on H+1 Day</p> <p>T+1 Session Transactions of VA & Fees,</p> <ul style="list-style-type: none">• VA to be settled in MMC on H+1• Fees would appear on H+1 dayend	<ol style="list-style-type: none">1. Payment obligation: no need to fulfill2. CCMS Common Report: available	<ul style="list-style-type: none">• to be shown in the section "LEDGER POSTING RESULT" of CCMPY01 / CCMPY02



H CPs Operation Highlight - Clearing

- H CPs can perform all types of post trades for all HKFE products on H Days

Scenario	Business Day (H-1 Day)		Trading Holiday Day (H Day)		Business Day (H+1 Day)	
	H Product	NH Product	H Product	NH Product	H Product	NH Product
Post Trades on H CP	Allowed					

Trade & Position Give Up and Take Up Arrangement

- H CPs vs H CPs**

Can give up and take up trades/positions for all HKFE products on H Days.

- H CPs vs NH CPs**

Cannot complete trades/positions give up to NH CP on H-Day

H Products → Give up cannot be processed as NH CP is not eligible to clear H Products

NH Products → Pending request will be rejected by system automatically at system cutoff time 18:45.

Note: refer Appendix 3 for detailed Trade & Position Give up and Take up Arrangement



H CPs Operation Highlight - Clearing

- **HKCC DCASS reports** are available on H Days.
- **H CPs** are reminded to retrieve and download these reports within 10 calendar days from H Day
- Trades and post trade activities of HKFE products executed during T+1 Session on H-1 Day (e.g. 6 May 2022) will be shown in **DCASS reports** (e.g. TP003) **on H Day** (e.g. 9 May 2022) with clearing date: H Day (e.g. 9 May 2022)

Trade / Post Trade Activities	Business Day (H-1 Day)		Holiday Trading Day (H Day)		Business Day (H+1 Day)	
	T Session	T+1 session	T Session	T+1 session	T Session	T+1 session
Records will be shown in HKCC Report	On H-1 Day	On H-Day		On H+1 Day		On H+2 Day

- **Risk Parameter Files:**
 - ✓ Format : No format change (i.e. include all HKCC and SEOCH products)
 - ✓ Timing of Release : Same as normal business day (i.e. ~15 mins before market open, ~13:00, ~19:00*, ~ midnight, after each intra-day margin call at T session and CBPL monitoring at T+1 session)
- **No SEOCH DCASS reports** (except RPF) are available on H Days.

• After the implementation of extension of T session closing hours, HKEX will release additional RPF at ~20:00. For details, please refer to the Materials for Briefing Session (Jan 2022) (<https://www.hkex.com.hk/-/media/HKEX-Market/Services/Trading/Derivatives/Trading-Mechanism/Derivatives-Holiday-Trading/Briefing-for-DHT-and-Extension-of-T-Session-Closing-Hours.pdf?la=en>)



NH CPs Operation Highlight - Clearing

1. Post Trade Arrangement

- Cannot perform any post trades on H Days
- Can only perform post trades (for NH products) during T+1 Session on H-1 Day or on H+1 Day which is a normal Business Day

Scenario	Business Day H-1 Day		Holiday Trading Day H Day		Business Day H+1 Day	
	H Product	NH Product	H Product	NH Product	H Product	NH Product
NH CP	N/A	Allowed	N/A		Allowed	

2. Trade & Position Give Up and Take Up Arrangement

- Cannot give up or take up trades/positions for all products on H Days
- Must complete take up trades/positions before T+1 session cutoff time at 03:00 on H-1 Day. Otherwise, resubmit give up and take up requests before system cutoff time on H+1 Day 18:45.

3. Clearing Reports

- HKCC DCASS reports are available on H Days
- Same arrangement as H CP. Please refer to H Day Reports for trades and post trade activities of HKFE products executed during T+1 Session on H-1 Day.



How to become a H CP after 9 May 2022?

1. Confirm trading, clearing operational and back office systems readiness
2. Confirm the setup of bank mandate is ready
3. Confirm the currency accounts ready and appointed settlement bank can support on H Day
4. Declare the above items by sending email to clearingpsd@hkex.com.hk







Risk Management



Recommended Risk Controls (for H CPs)

- Arrangement with appointed settlement bank and liquidity monitoring




	Areas	Details
	Clearing House Reports Review	<ul style="list-style-type: none">• Update settlement control checklist / dashboard with H day related settlement reports and timelines
	Liquidity Forecast	<ul style="list-style-type: none">• Conduct funding estimate at currency level
	Pre-funding	<ul style="list-style-type: none">• Arrange funding in advance on H-1 day• Extend pre-funding or credit facilities coverage to non-HKD and H day
	E-banking and Transfer Authorisation	<ul style="list-style-type: none">• Proper e-banking authorization and limits, coverage include FX conversion and inter-bank transfer• Proper authorization granted to staff on duty to conduct funding transfer on H day



Recommended Risk Controls

- Contingency plan in case of late payment (insufficient funding is found in designated bank account on H day)

Important: Any failure to meeting clearing house obligations would trigger an event default and could have serious consequence on your firm

	Areas	Details
	Ability to provide proof of financial position	Sufficient authorization to allow staff on duty to provide bank balance to clearinghouse upon request
	Ability to conduct immediate funding transfer	Proper limit and authorization assigned to conduct third party account transfer (i.e. between CP's bank accounts and to HKCC bank accounts)
	Currency of obligations	Prepare to provide and transfer cash collateral other than the currency of the obligation at last resort

Q & A session



Q & A session

1. Is there any intraday Risk Parameters Files (RPF) generated during H Days?

Yes, same as current, RPF (including intraday RPF) will be generated on H Days.

2. Can CP give up trades executed during T+1 Session ("T+1 Session trades") on H-1 Day to NH CP on H+1 Day?

For NH products, both H CPs and NH CPs can give up T+1 Session trades executed on H-1 Day to NH CPs on H+1 Day before the System Input Cutoff Time at 18:45.

For H products, give up and take up are allowed between H CPs only.



Q & A session

3. Will Clearing House increase margin prior to or during a long holiday?

Currently, HKCC will increase the margin levels temporarily (i.e. holiday margin) for some major products before public holidays. Same arrangement will continue to apply to the following products after the implementation of holiday trading:

- (i) NH products (e.g. HSI and HSCEI products)
- (ii) H products which has margin offset with NH products

For other H products which do not have margin offset with any NH products, normal margin will be applied. Nevertheless, HKCC has the discretion to apply holiday margins or increase margins on products which may pose liquidity concerns on H days.

With the implementation of Holiday Trading, we will continue to conduct adhoc margin review for H products on H Days (i.e. the effective day of increased margin rates can fall on H Day).

Nevertheless, for the scheduled monthly margin review, the effective day of new margin rates for all products including H products will remain as the next HK Business Day (i.e. not fall on H Day).

H CP is required to settle all margin obligations with the prevailing margin rates (including the adhoc increase in margin) on H Day.



Q & A session

4. For CBPL monitoring for H CPs, will positions from NH products also be included during H day ?

Yes. Same as the current practice on Business Day, all positions (including both H and NH positions) will be included in CBPL monitoring on H Day. H CP will be required to pay additional margin (if any) on H Day while H CPs will not be required to fulfill any payment obligation on H Days.

5. Can H CP perform annulment of position netting of H and NH products on H day?

Yes, H CP can submit annulment of position netting request in DCASS for all HKFE products (include both H and NH products) on H Day.



Q & A session

6. In term of fairness of market practice, should H CP be treated the same asNH CP that no need to settle margin obligation for non-H product ?

With the introduction of Holiday Trading, H CPs' portfolio are exposed to market risks on H Days in the same way as on Business Days. Therefore, to ensure appropriate and adequate risk arrangements for HKCC, HKCC will follow the existing practice by enforcing the timely settlement on a daily basis from H CPs on H Days. For NH CPs, no settlement is required on H Days given that they do not trade or clear on those days.

7. Can H CP revise its Liquid Capital (CP) Apportionment on H Day?

As HKSCC and SEOCH markets are not open on H Day, HKCC CP cannot revise its liquid capital apportionment on H Day.



Q & A session

8. For H CP client not trading H product, do they need to settle margin short fall on H day ?

As per our FAQ and the attachment dated 14 Jan (Ref: [MO/DO/014/22](#)), the Exchange requires H Participants to issue margin calls during H Days to their clients who trade H Products.

9. Where could I find the list of all H products?

You may refer to the list in Derivatives Holiday Trading website

https://www.hkex.com.hk/Services/Trading/Derivatives/Overview/Trading-Mechanism/Derivatives-Holiday-Trading?sc_lang=en



Q & A session

10. After becoming H CP, the HKD margin will be settled in USD on H day? Is there still a DDI in HKD to be settled in HKD?

H-1 Day

H CPs are expected to arrange sufficient funding in the respective currency or credit facilities with appointed settlement banks in advance to meet obligation requirements at all time.

H Day

For HKD Margin and VA/fee obligation:

Margin: will be covered first by HKD available in CCMS accounts, then the shortfall will be covered by other cash and non-cash collateral. Any remaining obligation will be settled in USD via DDI.

VA/fee: will be first covered with HKD available in CCMS accounts. Any remaining obligation above HKD 1 million will be settled in USD via DDI on H day. The USD collected will be released at dayend on the last H day.

Settlement deadline for all money obligations remain unchanged on H Day



Q & A session

Example 1:

A H CP has HKD 1 Million in CCMS collateral account

When there is VA obligation of HKD 7 Million arising from MMC, it will be first covered by the HKD 1 Million. Since there is still a HKD 6 Million shortfall, given it is above the threshold of HKD 2 Million, it would be collected by DDI in USD for HKD 6 Million shortfall.

USD collateral which is used to cover HKD settlement obligations during H day will be released at the day-end of the last H day.

On H+1 Day

Any excess USD collateral (which was released during day end of H Day and remained as excess collateral after the day-end process on H Day) will be available for withdrawal on H+1 Day. Any payment obligation including HKD obligation after the day-end process on H Day will be collected on H+1 Day by 09:15 as usual. Use of HKD to meet money obligation for HKD denominated contracts will resume.



Q & A session

11. Do we have to report LOP on the HK holiday?

The new LOP reporting procedures for Derivatives Holiday Trading will only apply on H products, please refer to the [Circular](#) for details.

12. As an H CP, please confirm if we still need to submit the LOP report for both H and NH products for the holiday?

LOP reporting is required if an EP or its client holds open position in excess of a LOP in any H-Contracts, a LOP Report shall be filed with HKFE by no later than 12:00 noon of the next Trading Day, whether it is a Hong Kong public holiday or not, after the positions are opened or accumulated, and shall continue to file the LOP Report as long as the prescribed reporting level remains to be exceeded. Please refer to the [Circular](#) for details.



Q & A session

13. For NHCP, Is it still possible for day trade MSCI contract in normal business day?

The trading and clearing rights to access MSCI contracts will be removed for NH Participants, NH Participants will not be able to conduct any MSCI contracts trading activities.

14. Refer to FAQ on public website, H CPs are required to fulfill H-1 shortfall for all HKFE products on H-Day. if some of my institution clients does not want to join the holiday trading, should I request our client to fulfill H-1 shortfall for all HKFE products on H-Day?

As per our FAQ and the attachment dated 14 Jan (Ref: [MO/DO/014/22](#)), the Exchange requires H Participants to issue margin calls during H Days to their clients who trade H Products.



Q & A session

15. 6 May 2022 T+1 trades' settlement date as 10 May 2022?

For H CPs, T+1 settlement obligations of H-1 are required to settle on H Day 9th May 2022.

For NH CPs, T+1 settlement obligations of H-1 are required to settle on H+1 Day 10th May 2022

16. Can CP net down/offset the position for T+1 trades during T+1 sessions for H/ NH products

Same as current practice, H CP can net down/offset the position resulted from T+1 trades during T+1 Sessions for all

HKFE products (including both H and NH products) on all trading days. (including H Day and Business Day)

NH CP can net down/offset the position resulted from T+1 trades during T+1 Sessions for NH products only on

Business Day.



Q & A session

17. Do I need to pay VA in holiday if we are NH CPs?

NH CPs will not be required to fulfill any HKCC payment obligations during H day, and any outstanding payment obligation will be settled on H+1

18. T+1 trade will show on holiday report or normal day report?

Trade or post-trade activities of all HKFE products (including both H and NH products) executed during the T+1 Session on H-1 Day will be recorded in the DCASS reports on H Day.

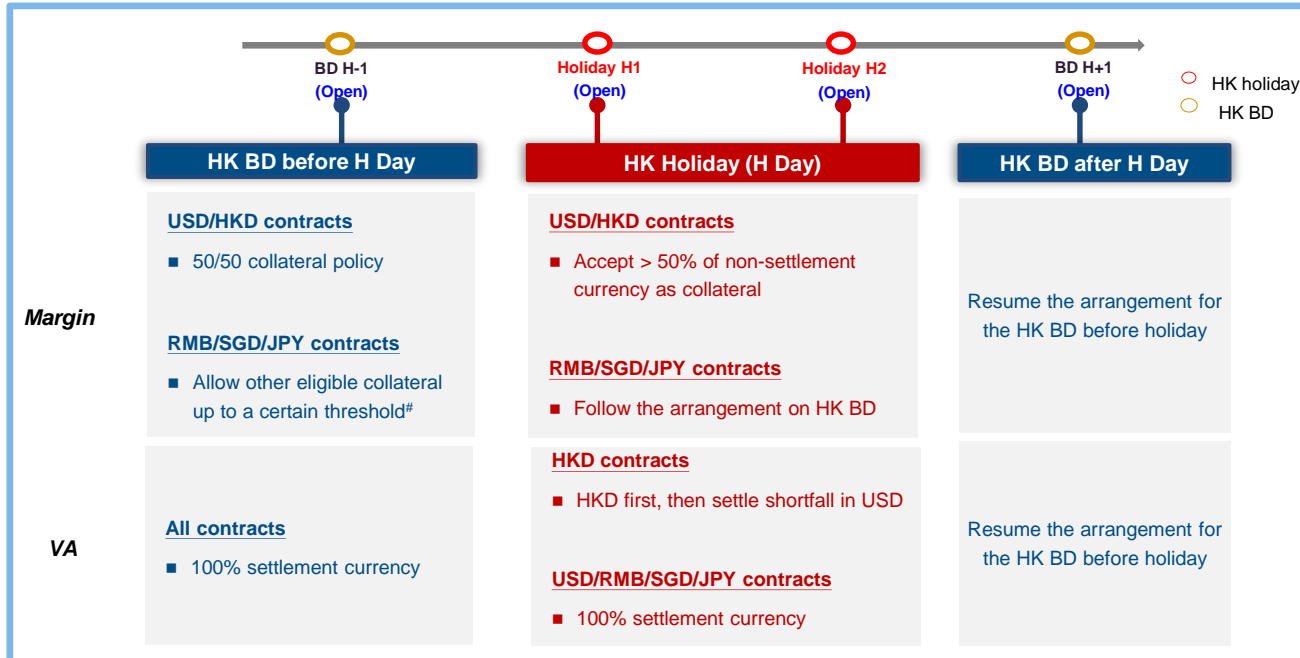


Appendixes



Appendix 1

Collateral for Margin and VA on H Days



Special Arrangement for HKD/USD VA Settlement on H Day which is HK & US Mutual Holiday (Refer to Slide 10)

Note :

The following collateral caps are still in place and will be extended to all H Days : (1) Non-cash collateral could only satisfy up to 50% of the margin requirement and (2) Existing SGD limit as a general collateral (i.e. SGD 25 mn per CP) for non-SGD denominated contracts is still in place

[#] RMB margin requirement can be satisfied by eligible collateral other than RMB cash up to RMB1 billion, beyond which must be satisfied by RMB cash. Same mechanism is applied to SGD and JPY margin requirement with threshold of SGD25million and JPY750 million respectively.



Appendix 2

CCMPY02 Report – Outstanding Margin/ DDI from Non-H-Product (For Holiday Trading CPs)

H-1 Day

H Day

POSTING / COLLATERALISATION RESULT REPORT
(DAY-END)

RUN TIME : 19:47:17
PAGE : 6

CCMPY02

HEX - CCMS
POSTING / COLLATERALISATION RESULT REPORT
(DAY-END)

RUN DATE : 25NOV21
RUN TIME : 15:06:04
PAGE : 3

CCMS DATE : 05NOV21
CLEARING HOUSE : HKCC
PAYMENT BATCH NO : 0018

FIRM NAME :
PART NAME : 46C8685F8EC63B94C33D

FIRM ID	PART ID	A/C TYPE	A/C NO	A/C STATUS
BF01234	HKABC1	CLT	0001	A

CCY	OB/TXN	CONTRACT CURRENCY ON HOLD	GENERAL COLLATERAL CASH	EARMARKED VALUE (HKD) NON-CASH	SHORTFALL	SHORTFALL PENDING FOR COLLECTION
HKD	MGN	0.00	0.00	0.00	3,041,859.00	0.00
JPY	MGN	668,653.00	0.00	0.00	20,506.00	0.00
SGD	MGN	0.00	0.00	0.00	52,152.99	0.00
USD	MGN	0.00	0.00	0.00	459,365.99	0.00

ACCOUNT BALANCE SNAPSHOT AFTER POSTING

CASH INVENTORY

CCY	CONTRACT AMOUNT (A)	CURRENCY ON HOLD PEND SH DDI	GENERAL CASH AMOUNT (B)	COLLATERAL OUTSD DR	SHORTFALL PEND SH DDI	TOTAL (A) + (B)
CNY	66,906.00	53,420.99	0.00	0.00	0.00	66,906.00
JPY	668,653.00	20,506.00	0.00	0.00	0.00	668,653.00
SGD	0.00	52,152.99	0.00	0.00	0.00	0.00
USD	0.00	459,365.99	0.00	0.00	392,441.74	0.00

ACCOUNT TDMV/TEMV BALANCE

TDMV	TOTAL DISCOUNTED MARKET VALUE CASH TDMV	NON-CASH TDMV	TEMV	TOTAL EARMARKED VALUE CASH TEMV	NON-CASH TEMV
3,041,858.99	3,041,858.99	0.00	3,041,858.99	3,041,858.99	0.00

REMARKS: UNDER ACCOUNT LEVEL TDMV, \$ 3,041,858.99 IS PENDING FOR COLLECTION.

SHORTFALL / OUTSTANDING DEBIT NOT INCLUDED IN DIRECT DEBIT INSTRUCTION TO BE COLLECTED ON NEXT HK BUSINESS DAY

CCY	SHORTFALL AMOUNT	OUTSD DR
HKD	0.00	1,497,250,824.94

CCMS DATE : 08NOV21
CLEARING HOUSE : HKCC
PAYMENT BATCH NO : 0003

FIRM NAME :
PART NAME : 46C8685F8EC63B94C33D

FIRM ID	PART ID	A/C TYPE	A/C NO	A/C STATUS
BF01234	HKABC1	CLT	0001	A

PART ID/CUST	A/C CODE	PRODUCT	OB/TXN	CCY	AMOUNT	ORG CCY	ORG AMOUNT	EX RATE
HKCABC C1		HHT	MGN	HKD	1,756,406.00			
HKCABC C1		STOCK	MGN	HKD	1,355,822.00			
HKCABC C1		MNOP3	MGN	JPY	674,155.00			
HKCABC C1		MNOP4	MGN	SGD	41,605.00			
HKCABC C1		MNOP1	MGN	USD	467,182.00			

OUTSTANDING DEBIT INDUCED FROM NON-H-PRODUCT

CCY	OUTSD DR
HKD	1,497,305,558.94

MERGED AND NETTED PRE-POSTING LEDGERS / OBLIGATIONS

LEDGER POSTING

HKD outstanding debit amount from H-1 day, to be collected on H+1 day by 09:15.
USD collateral to be collected on H day by 09:15

Remark:

- Existing section - New section

Shortfall: margin obligation to be collected on the H+1 day morning call; shortfall amount being 0 in HKD as USD collateral will be collected on H day instead (refer to CCMIR02 report for exchange rate/ haircut rate)
Outstanding debit: VA + fees (does not include margin) on the H-1 day



Appendix 3

Trade & Position Give Up and Take Up Arrangement

Scenario - G/U (T/U)		Business Day (H-1)		Holiday Trading Day (H Day)		Business Day (H+1)	
Session (T or T +1)		T Session	T+1 Session	T Session	T+1 Session	T Session	T+1 Session
Holiday Trading Products (e.g. MSCI Futures)	H CP G/U to another H CP	Allow to G/U and T/U, same as normal business day					
	H CP G/U to NH CP	G/U will not be allowed, as NH CP is not eligible to clear MSCI products					
Other HKFE Products (e.g. HSI Futures, HSCEI Futures, Stock Futures)	H CP G/U to another H CP	Allow to G/U and T/U, same as normal business day					
	H CP G/U to NH CP	Allow to G/U and T/U, same as normal business day	Allow to G/U. NH CP must accept T/U before T+1 session cutoff time at 03:00	Allow to G/U, but NH CP is not allowed to accept T/U on H Day. Pending G/U record will eventually be rejected by system automatically during System Cutoff Time at 18:45	Allow to G/U, but NH CP only allowed to T/U trades by T session cutoff time on business day after H Day at 18:45	Allow to G/U and T/U, same as normal business day	

Note: Any pending trade/position give up will be rejected by system on the next clearing cutoff time

(e.g. trade executed during T+1 Session on 6 May 2022 can be taken up by NH CP before T+1 Session Cutoff Time at 03:00 on 7 May 2022.)



Appendix 4

Key Summary of Clearing and Settlement & Collateral Management

Clearing

- **Post Trades Arrangement**
 - H CPs can perform post-trade activities for all HKFE products on H Day.
 - NH CP cannot perform any kinds of post trades on H Days
- **Clearing Reports**
 - H CP: A set of HKCC DCASS reports are available on H Days. H Day Reports will include trades and post trade activities of HKFE products executed during T+1 Session on H-1 Day and T Session on H Day.
 - NH CP: A set of HKCC DCASS reports are available on H Day. H Day Reports will include trades and post trade activities of HKFE products executed during T+1 Session on H-1 Day only.

Settlement & Collateral Management

- H CPs are required to settle all payment obligations under the existing settlement timeline
- HKD VA H-1 T session and fees. > 1Mn, will be collected by USD
- No withdrawal of collateral during H Days
- No settlement of Reserve Fund additional contribution
- USD Funding on H-1 for HKD/USD mutual holiday
- Refer to risk control guideline in briefing circular



Thank you

For enquiry, please email to clearingpsd@hkex.com.hk

