



編號

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Date: 17 December 2014

香港場外結算有限公司

(香港交易及結算所有限公司附屬公司)

**OTC Clearing Hong Kong Limited**

(A subsidiary of Hong Kong Exchanges and Clearing Limited)

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## 通告 CIRCULAR

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### 事項

Subject: Margin Requirements and Adjustment of Routine Intra-day Variation Margin Calls in respect of the Christmas Day and the first weekday after Christmas Day

### 查詢

Enquiry: **Hotline 2211-6753**

Please be advised that pursuant to Chapter 4 of OTC Clearing Hong Kong Limited Clearing Procedures, the OTC Clearing Hong Kong Limited has decided to adopt the following risk management measures to cover potential market volatility when other markets are open during the aforesaid period:

1. The Holiday Margin in respect of each Clearing Member's portfolio will be applied with an amount equal to **19% of the Initial Margin requirement** and such Clearing Member will be able to check details of the Holiday Margin required under the report named "MRCleared.csv" via OASIS after the close of business (i.e. by around 21:30 hours Hong Kong time) on 23 December 2014. Each Clearing Member will be required to settle the margin call amount within 1 hour if an End-of-Day Initial Margin call is issued at 08:30 hours Hong Kong time on 24 December 2014.
2. The Holiday Margin as mentioned in the immediately foregoing will be reduced to **10% of the Initial Margin requirement** after the close of business on 25 December 2014 and subsequently reduced to **zero** after the close of business on 26 December 2014. Clearing Members are advised to check details of the Holiday Margin required under the report named "WEB MRCleared.csv" via OASIS. Below is an illustrative example:

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Hong Kong Exchanges and Clearing Limited

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Date	Close of Business on 24 <sup>th</sup> December 2014	Close of Business on 25 <sup>th</sup> December 2014	Close of Business on 26 <sup>th</sup> December 2014
Initial Margin requirement	1,000	900	950
Holiday Margin multiplier	19%	10%	0%
Holiday Margin	190	90	0
Total Initial Margin requirement	1,190	990	950

*Note: All figures in the table above are hypothetical for illustration purpose only and denominated in Hong Kong Dollars.*

- For the avoidance of doubt, there will be no Routine Intra-day Variation Margin Calls on 25 December 2014 and 26 December 2014 pursuant to Chapter 4 of OTC Clearing Hong Kong Limited Clearing Procedures.

Please note that:

- Clearing Members **still need to settle End-of-day Variation Margin with regard to applicable non-HKD currency during the aforesaid periods** and thus proper staff arrangement has to be completed by Clearing Members **in advance**.
- The application of Holiday Margin will increase the Margin requirements and such increase may vary depending on Clearing Members' portfolios. The impact on certain Contracts might be greater than others and Clearing Members may contact OTC Clear (via the hotline mentioned above) to assess the potential margin impacts.
- Relevant staffs are fully aware of the aforementioned measures and make the necessary funding arrangements. In addition, Clearing Members are strongly advised to keep an adequate level of Excess Margin as an End-of -Day Initial Margin call will be issued when a Clearing Member's Margin Balance falls short of its Initial Margin requirement.

Ketan Patel  
Head of FIC and OTC Clearing Risk Management