

香港期貨結算有限公司
(香港交易及結算所有限公司全資附屬公司)

HKFE CLEARING CORPORATION LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: **Risk Management Arrangements in respect of Chung Yeung Festival**

Enquiry: **2211-6901**

All markets operated by the Hong Kong Futures Exchange will be closed for business on 4 October 2022, except MSCI Futures and Options¹. In order to assure that safeguards are in place against potential market risks that may arise during the aforesaid period when some of the major markets are open, Participants are kindly reminded to adopt the following risk management measures:

1. Mandatory intra-day variation adjustment call on Clearing Participants in the Hang Seng Index, Mini-Hang Seng Index, Hang Seng China Enterprises Index, Mini-Hang Seng China Enterprises Index, Hang Seng TECH Index, HSCEI Dividend Point Index, MSCI China A 50 Connect (USD) Index, MSCI China Net Total Return (USD) Index, MSCI Taiwan Net Total Return (USD) Index, MSCI Taiwan (USD) Index, USD/CNH and CNH/USD Futures markets will be made on **3 October 2022**. These intra-day variation adjustment calls will be calculated based on open positions existing in the above-mentioned markets at around 3:00 p.m. on **3 October 2022**. You are required to ensure completion of payments within one hour after receiving notification of details on the variation adjustment requirements, if any.
2. The margin levels of MSCI China Net Total Return (USD) Index (“CHN”) and MSCI Taiwan Net Total Return (USD) Index (“MWN”) futures contracts will be increased temporarily² after the close of business of T session on **30 September 2022** as follows:

¹ Holiday Trading Participants are eligible to trade Holiday Trading Products (i.e. MSCI Futures and Options) during Holiday Trading Day(s).

² The spread margin rates will remain unchanged during this period.

		<u>Client Margin</u>		<u>Clearing House Margin</u>
		<u>Initial</u>	<u>Maintenance</u>	
		<u>(USD)</u>	<u>(USD)</u>	<u>(USD)</u>
CHN	Current Level	1,901 per lot	1,520 per lot	1,430 per lot
	Temporarily Increased Level³	2,207 per lot	1,765 per lot	1,660 per lot
MWN	Current Level	3,923 per lot	3,138 per lot	2,950 per lot
	Temporarily Increased Level³	4,535 per lot	3,628 per lot	3,410 per lot

The margin levels of CHN and MWN futures contracts will be restored to the normal levels⁴ after the close of business on **4 October 2022**.

Please ensure that your staffs are fully aware of both the temporary increase in the margin levels and the mandatory intra-day variation adjustment call and make necessary arrangement with your designated bank. You are also strongly advised to give advanced notice to your clients regarding these arrangements where appropriate and ensure adequate margin deposits from your clients are maintained during the holiday period.

The Clearing House considers it appropriate to remind you the importance of having proper arrangement in place before and after the holiday period as those days are normal settlement days. In case of any key staffs on vacation before and after the holiday period, please ensure that your backup staffs are familiar with the operational and monitoring procedures to adequately monitor your exposure and fulfill the payment obligations to the Clearing House on time. Any failure in meeting the settlement timelines is an event of default under HKCC Rule 509. Please refer to the circular issued on 31 May 2022 (Reference No.: [CD/CDCRM/149/2022](#)) for more details on the

³ For the purpose of the Capital-Based Position Limit (CBPL) assessment and the necessary additional margin calculation, the normal margin rates instead of the temporarily increased holiday margin rates will be applied. A tailor-made risk parameter file carrying the normal margin rates can be downloaded from the HKEX website after the close of business on 30 September 2022:

http://www.hkex.com.hk/-/media/HKEX-Market/Services/Clearing/Listed-Derivatives/Risk-Management/Reports-and-Data-Download/Simulated-RPF-for-Holiday-Margin/holidayrpf_Oct22.zip

⁴ Please refer to the "Margin Rates" circular to be issued on 29 September 2022.

payment obligations of the Participant and the consequence of the delay or failure in meeting the obligations.

For and on behalf of
HKFE Clearing Corporation Limited

Sally Tai
Authorized Signatory