

Clearing Rules for USD/RMB FX Futures

- **The margin requirements for FX futures**

The clearing margin for a FX futures contract is the futures price multiplied by the contract size and the risk coefficient. The risk coefficient is a value calculated based on the price movement of the underlying currency pair within a certain period and other possible factors with at least a 99 percent confidence level to cover one-day price variation.

The collection of clearing margins shall be in units of NT\$100, and amounts less than NT\$100 shall be rounded up to NT\$100. The collection of maintenance margins and initial margins shall be in units of NT\$10, and amounts less than NT\$10 shall be rounded up to NT\$10.

If the variation between the existing margin level and the margin level calculated at the close of trading each business day reaches 5 percent or more, or in the case of market conditions, TAIFEX may adjust the clearing margin accordingly.

The new clearing margin level shall be adopted after the close of trading on the next business day following the announcement date.

For the current margin table for FX futures, please refer to the following link: <http://www.taifex.com.tw/eng/eng5/FXMargining.asp>

- **Margining Requirements for spread trades**

(1) Same contract portfolios

Combination	Margin requirement
Buy one RHF contract, sell one RHF contract	Collect margin for one RHF contract
Buy one RTF contract, sell one RTF contract	Collect margin for one RTF contract

(2) Different contract portfolios

Combination	Margin requirement
Sell one RHF contract, Buy one RTF contract	MAXIMUM (margin for one RHF contract, margin for one RTF contract)
Sell one RTF contract, Buy one RHF contract	MAXIMUM (margin for one RTF contract, margin for one RHF contract)

- **How are margins collected from foreign investors who engage in domestic futures trading?**

(1) Offshore foreign investors who participate in domestic futures trading must deposit their own RMB margin for RMB denominated contracts. As for the NTD and USD denominated products, they must deposit and withdraw margins in eligible foreign currencies, namely USD, EUR, JPY, GBP, AUD, HKD and RMB.

(2) The available margin currencies for TAIFEX products are indicated in the table below.

Investor \ Products		NTD-denominated (TAIFEX futures and options)	USD-denominated (gold futures)	RMB-denominated (USD/RMB FX futures)
Offshore foreign investors	Margin	TAIFEX' eligible foreign currencies	TAIFEX' eligible foreign currencies	RMB
	Profit/Loss	NTD	USD	RMB
Locals, Onshore foreign investors	Margin	NTD	USD	RMB
	Profit/Loss	NTD	USD	RMB