



**Practice Session for ISO 2022 Upgrade of SWIFT
Messages for Money Settlement in OTC Clear
(Operations)**

Information Package

for

Settlement Banks

Issue Date: 4 Mar 2024

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1. Introduction

Further to the ISO 2022 interface test for Settlement Banks of OTC Clear (Operations) which was conducted from November 2023 to February 2024, OTC Clear (Operations) will have Practice Session with each settlement bank as a pre-migration activity to ensure a smooth and successful rollout on 22 Apr 2024. It is **mandatory** for all settlement banks to participate in this Practice Session in order to fulfill clearing house's requirement.

This Information Package provides settlement banks with the arrangements and scope of the Practice Session. All settlement banks are required to perform necessary setup and preparation prior to the activity.

2. Objective

The objective of this Practice Session is to provide a simulated end-to-end business flow of payments and cash reporting SWIFT messages with production-like timeline for Settlement Banks to confirm their readiness for the rollout. Through participating in Practice Session, settlement banks can:

- verify their system and operation readiness with OTC Clear (Operations);
- familiarise themselves with ISO 2022 standards in an on-going business; and
- rehearse their migration procedure for the actual system rollout before the Practice Session.

To achieve these objectives, OTC Clear (Operations) encourages settlement banks to use production-like environment to participate in this Practice Session (e.g. manual intervention which limited to testing only, should be avoided/ minimal).

3. Schedule

The Practice Session will be held during normal business days in following two timeslots and settlement banks are required to participate either one of them:

- 1) 25 Mar 2024 (Mon)
- 2) 08 Apr 2024 (Mon)

During the Practice Session, OTC Clear (Operations) will support settlement bank's enquiry from 9:00a.m. until 6:00p.m.

4. Preparation Tasks

Similar to the Interface test, there are preparation tasks required settlement banks to complete prior to Practice Session:

Items to be Checked	✓
1. Read and understand this information package for Practice Session thoroughly.	
2. Reply OTC Clear (Operations) with the preferred session set out in Section 3 and provide 2 contact persons (with emails and phone numbers) via email to otc_operations@hkex.com.hk by 18 Mar 2024.	
3. Confirm system setup/ configuration in settlement banks' own environment for using MX format SWIFT messages are proper.	

4. Confirm technical setup requirement as set out in Section 5 for exchanging test messages with HKEX system(s) are fulfilled.	
5. Have proper procedures and control in place to ensure real production database / information will not be impacted by this Practice Session	

While settlement banks have completed the necessary actions for item 3 - 4 above for Interface Test, settlement banks are strongly advised to re-confirm testing environment readiness again for Practice Session to be run smoothly.

5. Technical Setup Requirements

Below requirements from interface test remains unchanged for Practice Session.

5.1. SWIFTNet Address used by OTC Clear (Operations)

Entity full name	BIC8	SWIFTNet Address
OTC CLEARING HONG KONG LIMITED	OCCPHKHH	*,o=occpkhkh,o=swift

5.2. FINplus Service and Deployment Packages

FINplus Service	swift.finplus!pc (FINplus pilot current)
Standard Package	FINplus 2.1.2
USA	USA – SWIFT FINplus SR2023 Validation
	USA – SWIFT FINplus SR2023 Activator

6. Rundown

OTC Clear (Operations) and settlement banks should follow the general rundown (sampled below). Clearing House will communicate with each bank individually of the recommended additional test cases specific to the bank to perform the Practice Session. If there is any discrepancy, both parties should communicate via email for clarification.

Practice Session (25 Mar/ 8 Apr)

Time	Actions from OTC Clear (Operations)	Actions from Settlement Banks
12:50 p.m.	OTCC will issue PACS.009 for EOD payment with below details to settlement banks. Value Date: 25/03/2024 Currency: HKD/USD/EUR Amount: 100,000.00	Settlement Banks should receive PACS.009 and verify.
12:50 p.m. to 1:50 p.m.	OTCC should receive CAMT.054 and verify.	Settlement Banks should send CAMT.054 to OTCC for confirming credit with below details:

		Value Date: 25/03/2024 Currency: HKD/USD/EUR Amount: 100,000.00
04:00 p.m.	OTCC will issue PACS.009 for EOD payment and collateral withdrawal with below details to settlement banks. EOD payment: Value Date: 25/03/2024 Currency: RMB Amount: 200,000.00 Collateral withdrawal: Value Date: 25/03/2024 Currency: HKD/USD/EUR/RMB Amount: 1,000,000.00	Settlement Banks should receive PACS.009 and verify.
04:00 p.m. to 05:00 p.m.	OTCC should receive CAMT.054 and verify.	Settlement Banks should send CAMT.054 to OTCC for confirming credit with below details: EOD payment: Value Date: 25/03/2024 Currency: RMB Amount: 200,000.00 Collateral withdrawal: Value Date: 25/03/2024 Currency: HKD/USD/EUR/RMB Amount: 1,000,000.00

Remarks: OTCC Direct Debit message flow was covered in HKICL's ISO 2022 for RTGS Simulation Test, hence the direct debit testing is out-of-scope in this Interface Test.

7. Completion of Practice Session and Readiness of ISO 2022 Migration

Settlement banks should provide confirmation of completion of Practice Session and readiness of ISO 2022 migration to OTC Clear (Operations) via email at otc_operations@hkex.com.hk with below email subject and content within one week.

Subject:

Confirmation – Practice Session for ISO 2022 Upgrade of SWIFT Messages for Money Settlement in OTC Clear (Operations) & Readiness of ISO 2022 Migration

We have participated in and successfully completed the Practice Session for ISO 2022 Upgrade of SWIFT Messages for Money Settlement. This is also to confirm our institution is ready for ISO 2022, particular on below perspective:

- *All existing systems and processing that handle SWIFT messages of OTC Clear (Operations) which are in-scope for Practice Session, have been enhanced with ISO 2022 Standards.*
 - *Production-like end-to-end setup has been tested in this Practice Session to verify proper procedures are in place and have been rehearsed to mimic the actual migration activities for the rollout.*
 - *Ready to continue support on existing BAU contingency arrangement with OTC Clear (Operations).*
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8. Severe Weather Arrangement

In case Typhoon Signal No. 8 (or above) / Extreme Conditions is remained at 07:00 or the HK Observatory pre-announced at or before 07:00 that Typhoon Signal No. 8 (or above) will be hoisted at or before 09:00 on the day of Practice Session, the Practice Session will be cancelled and will not be resumed for the rest of that particular day but instead on the immediately following business day accordingly.

In case Typhoon Signal No. 8 (or above) or Extreme Conditions is issued during the Practice Session after 09:00 on the execution day, the Practice Session will be terminated 15 minutes thereafter but instead on the immediately following business day accordingly.

In case Black Rainstorm Warning remains in effect at 07:00 on the day of Practice Session, the activity will be cancelled and will not be resumed for the rest of the day but instead on the immediately following business day accordingly.

In case Black Rainstorm Warning is issued during Practice Session, all scheduled activities will continue as normal until completion.

9. Communication Channel

OTC Clear (Operations) will communicate with the project related contact personnel of each settlement banks via emails during the Practice Session.

10. Practice Session Contact & Issue Support

During the Practice Session, if settlement banks has any queries or encounter any issue, please reach out to OTC Clear (Operations) via email at otc_operations@hkex.com.hk with subject "Practice Session for ISO 2022 Upgrade_(name of settlement bank)".