

Date: 11 February 2011

香港中央結算有限公司
(香港交易及結算所有限公司全資附屬公司)
Hong Kong Securities Clearing Company Limited
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

To: CCASS Participants

Subject: Test for Simulating Electronic Initial Public Offer (EIPO) Subscription, Trading, Clearing and Money Settlement of Listed Renminbi (RMB) Products

Enquiry: Hotline at 2979 7111

In order to facilitate CCASS Participants to examine their operation readiness for dealing in RMB securities including IPO subscription, trading, clearing and money settlement of listed RMB products, Hong Kong Exchange and Clearing Limited (HKEx) has scheduled a two-day testing session on 19 and 20 March 2011 (Saturday and Sunday) for participants to simulate the EIPO subscription process, trading and clearing of listed RMB products (Simulation Test) in an end-to-end manner. A separate payment pilot run which will include payment and settlement involving your designated banks will be scheduled in mid-March 2011 to ensure a smooth flow of CCASS money settlement in RMB (Payment Pilot Run). Further details about the Simulation Test and Payment Pilot Run (collectively the "RMB Readiness Test") will be provided in separate circulars.

After completion of the RMB Readiness Test, Participants are required to confirm their readiness for dealing in RMB securities. A list of Participants who have successfully completed the RMB Readiness Test and confirmed their readiness for dealing in RMB securities will be posted on the HKEx website for the information of the general investing public. Participants who fail to ensure their readiness should refrain from dealing in RMB securities to be listed on the Stock Exchange of Hong Kong Limited (SEHK) or clearing transactions in such securities.

Participants are reminded to take note of the followings to ensure their readiness for dealing in listed RMB securities.

(1) Complete the setup of RMB Designated Bank Account in CCASS before the RMB Readiness Test

Participants should open RMB bank accounts with their RMB Designated Banks if they have not already done so. Once a RMB bank account is opened, the Participant shall complete the following 2 documents to set up a RMB Designated Bank account in CCASS:

- [Non-Investor Participant Setting Up of Renminbi Designated Bank Account Form](#);
and
- [Non-Investor Participant Renminbi Debit Authorisations and Authorisation to Disclose Information Form](#).

Normally, it will take about 3 weeks to complete the setup of RMB Designated Bank account in CCASS after Hong Kong Securities Clearing Company Limited (HKSCC) has received the relevant documentation such as the duly completed forms, confirmations from the RMB Designated Bank of the Participant and the RMB Agent Bank of HKSCC.

If Participants want to participate in the RMB Readiness Test and have not set up their RMB Designated Bank Accounts in CCASS, the above duly executed documents must be submitted to and received by HKSCC **on or before 7 March 2011** at:

Cash Clearing Operations
Hong Kong Securities Clearing Co Ltd
2/F, Infinitus Plaza
199 Des Voeux Road Central, Hong Kong

(2) Readiness of Systems and Operation Procedures

Participants must review and enhance (if required) their systems and operation procedures including but not limited to:

- Back office systems supporting clearing, settlement, risk and collateral management, fees calculation, billing and accounting, etc.;
- Establishment of adequate RMB availability to meet all RMB based financial obligations for daily operations;
- Procedures for issuing statements and reports to customers; and
- Other front-end and back-end systems and operations as appropriate.

In addition, Participants are requested to observe the relevant information posted on the HKEx website in relation to [Preparation for Trading and Clearing of Renminbi \(RMB\) Products](#) such as FAQ and Checklists thoroughly before participate in the RMB Readiness Test.

Participants should also refer to the circulars issued by the SEHK and SFC today regarding the market readiness and SFC / HKEx joint briefing session on preparation for listed RMB securities business.

Should you have any questions regarding the above matters, please contact the CCASS hotline at 2979-7111.

Cindy Chiu
Vice President
Cash Clearing Operations