

Date: 02 December 2011

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(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: CCASS Service Enhancements
Enquiry: Hotline at 2979 7111

HKSCC plans to implement the following CCASS service enhancements tentatively in late April 2012:

1. Enhancements on Settlement Instruction (SI) Service

i) New “Settlement Currency” data field supporting multi-currencies settlement

Currently, SIs accept only the “Trading Currency” of the Eligible Securities for settlement. In order to facilitate future market development, SI functions will be enhanced to accept DVP/RDP money settlement in any of the CCASS eligible currencies (i.e. HKD, USD or RMB). A new data field of “Settlement Currency” will be introduced for input and matching. The “Settlement Currency” is not a mandatory input field and, if no input is made, will be defaulted as the same value of the “Trading Currency” of the Eligible Securities.

The “Settlement Currency” is not applicable to FOP. The field should be either input with the same value of the “Trading Currency”, or left as blank and thus defaulted as the same value of the “Trading Currency” of the Eligible Securities.

ii) Enabling additional Client Information in SIs

In order to enhance the efficiencies on the handling of IPO, a new data field of “Underlying Client Information” will be introduced for SI input. This is an optional remark field added to facilitate Participants’ internal reconciliation and reference, thus enhancing operations efficiency. No matching criteria will be applied to this field.

iii) Enhancing the matching of Client Account Number in SIs

Currently, the “Client Account Number” is a matching field if both delivering and receiving Participants have input a “Client Account Number” when the “SI Purpose”

of either side of the SIs is ‘M’- Portfolio Movement or ‘C’- Broker Custodian Transaction. In order to improve the matching efficiency, the system will be enhanced to perform SI matching of the “Client Account Number” field based on the alphanumeric characters only. Any non-alphanumeric characters (e.g. , : / () ? . + ‘ - space) input in this data field will be ignored. Please note that this enhancement only brings changes to the matching mechanism of the “Client Account Number” field. There will be no change to the input and output field contents of “Client Account Number” in the relevant online screens and reports, which will continue to allow input and/or display of any non-alphanumeric characters per the current practice.

iv) Changes to CCASS files and reports specifications

Due to the enhancements and the introduction of new data fields for SI input, the specifications of the existing SI batch files, reports and respective data files will be modified as follows:

SI Batch File and SI Batch Input Control Report (CCLEI01):

- Two new data fields of “Settlement Currency” and “Underlying Client Information” will be added to the SI batch file and the control report, resulting in extending the record length of the existing SI batch file from 226 bytes to 280 bytes.

SI Status Report (CCLSI01) and SI Activity Report (CCLSI02):

- A new data field of “Underlying Client Information” will be added to the reports and the report data files.
- The existing data field of “Currency” will be enhanced to represent the “Settlement Currency”.

Unmatched SI Report (CCLUS01):

- A new data field of “Underlying Client Information” will be added to the reports and the report data files.
- The existing data field of “Currency” will be enhanced to represent the “Settlement Currency”.
- A new value “A” which stands for settlement currency unmatched will be added to the “Unmatched Reason Codes”.

Intra-day ISI/SI Full List (CSESI02):

- The existing data field of “Currency” will be enhanced to represent the “Settlement Currency”.
- A new data field of “Underlying Client Information” will be added to the relevant SI sections in the report and the report data file.

Next Settlement Day Due/Overdue Position Report (CSEOP01), Settled Position Report (CSESP01), Intra-day Settled Position Report (CSESP04), Settlement Report (CSESE01) and GEM Settlement Information Report (CSEOP09):

- A new data field of “Settlement Currency” will be added to the reports. The relevant positions will be grouped by the “Settlement Currency” with sub-totals.
- The existing data field of “Currency” will be enhanced to represent the

“Settlement Currency” in the report data files.

2. Enhancements on SI Status in relation to TSF Accounts

Currently, an SI input by a TSF Participant with a TSF Account as its stock settlement account will only take effect if the counterparty of the related SI has also input a TSF Account as its stock settlement account. The current system handling in such case is that SIs between a TSF account of a Participant and a non-TSF account of another Participant, after matching, will be frozen and will remain as matched status until they are purged by the system after ten calendar days.

After this enhancement, these unmatched SI positions will be revoked and purged from the system at day-end. The SIs in “Revoked” status can be enquired online and under the relevant sections in the “SI Activity Report (CCLSI02)” and “Settlement Report (CSESE01)”. To differentiate the SIs revoked by the system, a new value “T” will be added to the “status” field in the SI Activity Report Data File. In regard to the “Intra-day ISI/SI Full List (CSESI02), a new data field of “System Revoked SI” will be added to the report data file with the formatted value “*” which is shown next to the SI input number under the ‘REVOKED SI’ section of the report.

3. New Report for TSF Exception Handling Fee

A new report, “TSF Exception Handling Fee Report (CSETF13)”, which shows the exception handling fee and its calculation in respect of a failure to settle TSF FX Transactions and/or earmarking of TSF stocks will be made available to TSF Participants for reference.

Participants can refer to Appendix I for a summary list of the affected reports, report data files and batch file due to above mentioned service enhancements.

Participants who are currently using these existing reports/report data files/batch upload file are advised to discuss with your internal IT support unit or system vendor to ensure that relevant changes to your back office systems would be made (if required) upon the implementation of the above CCASS service enhancements. The relevant reports/ data files/ batch file specifications and sample files are now available at this HKEX weblink: <http://www.hkex.com.hk/eng/market/clr/secclr/ccass3/enhancement.htm> for your reference and to facilitate the development and testing of your back office systems, if applicable.

Should you have any questions related to the above enhancements, please contact the CCASS hotline at 2979-7111.

Terek Mak
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Summary List of Affected Reports, Data Files and Batch Files for the CCASS Enhancements

1. List of Reports

Report ID	Report Name	Settlement Currency for SIs	Underlying Client Information for SIs	Revoked SI Status
1. CCLEI01	SI Batch Input Control Report	#	#	
2. CCLSI01	SI Status Report	# *	# *	
3. CCLSI02	SI Activity Report	# *	# *	# *
4. CCLUS01	Unmatched SI Report	# *	# *	
5. CSESI02	Intra-day ISI/SI Full List	# *	# *	# *
6. CSEOP01	Next Settlement Day Due/Overdue Position Report	# *		
7. CSESP01	Settled Position Report	# *		
8. CSESE01	Settlement Report	# *		
9. CSESP04	Intra-day Settled Position Report	# *		
10. CSEOP09	GEM Settlement Information Report	#		

Remarks: # Reports
* Report Data Files

(Note: Details of the report specification and sample file of the new “TSF Exception Handling Fee Report (CSETF13)” will be supplemented shortly and posted on the HKEx webpage for reference.)

2. List of Batch Files

1. SI Batch File (in relation to Settlement Currency & Underlying Client Information for SIs)