

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: Custodian and Clearing Participants

Subject: Practice Session on using Renminbi (“RMB”) Equity Trading Support Facility (“TSF”)

Enquiry: Hotline at 2979 7111

With reference to the HKSCC circular (Ref: [CD/CCO/CCASS/254/2011](#)) issued on 12 October 2011, the TSF was launched on 24 October 2011 to support the trading of RMB equities in the secondary market. To facilitate the market development of RMB products, HKEx plans to extend the product type coverage of the TSF in early August 2012. Further information will be announced in due course.

Clearing Participants who are also Exchange Participants (EPs) of SEHK

Please refer to the circular (Ref: [CMD/TMO/034/12](#)) separately issued by SEHK to EPs today.

Custodian and Clearing Participants who had registered as TSF Participants

To allow Custodian and Clearing Participants who had registered as TSF Participants to refresh the knowledge of their internal operations before the launch of additional product types with TSF support, a practice session on trading, clearing and settlement of transactions using the TSF (“TSF Practice Session”) will be conducted on 28 and 29 July 2012.

Custodian and Clearing Participants who had not registered as TSF Participants

For those Custodian and Clearing Participants who had not registered but are now interested in becoming TSF Participants, they should take this opportunity to join the TSF Practice Session and use it as a simulation test in order to verify their readiness to process TSF transactions. For preparation, they should also read through the TSF Participant Registration Criteria (Attachment 1), the TSF Information Paper, Frequently Asked Questions, TSF seminar presentation materials etc. on the HKEx website (http://www.hkex.com.hk/eng/market/sec_tradinfra/tsf/tsf.htm).

Please note that the defined TSF operational flows and procedures as well as the servicing schedules with CCASS will remain unchanged following the extension of product type coverage. Interested Custodian and Clearing Participants who are not EPs should complete and return the attached Registration Form for the TSF Practice Session (Attachment 2) to the Clearing Division of HKEx **on or before 13 July 2012, Friday**. HKEx will provide the details of the TSF Practice Session separately.

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

Terek Mak
Vice President
Cash Clearing Operations

香港交易及結算所有限公司
Hong Kong Exchanges and Clearing Limited

TSF Participant Registration Criteria

List of “TSF Participants” on HKEx website

1. Use of TSF the FX services is not mandatory. However, EPs, CCASS Clearing Participants and CCASS Custodian Participants who wish to utilize the TSF are required to comply with certain registration criteria. Upon successful registration with the TSF, the EPs, CCASS Clearing Participants or CCASS Custodian Participants will become a “TSF Participant”. The list of TSF Participants will be published on the HKEx website for reference by the investing public.

Types of EPs and CCASS Participants who can apply to become a TSF Participant

2. The following types of EPs can apply to become a TSF Participant for the purposes of using the FX services of the TSF:
 - a) EPs who are themselves Direct Clearing Participants¹ or General Clearing Participants² under the CCASS Rules; and
 - b) EPs who are not CCASS Participants but who have entered into a Clearing Agreement with a General Clearing Participant under the CCASS Rules and where the General Clearing Participant is a TSF Participant.
3. The following types of CCASS Participants can apply to become a TSF Participant for the purposes of clearing and settling TSF Exchange Trades:
 - a) Direct Clearing Participants under the CCASS Rules; and
 - b) General Clearing Participants under the CCASS Rules.
4. CCASS Custodian Participants can also apply to become a TSF Participant to hold and act as the custodian of RMB-traded shares purchased through the TSF FX services.
5. For the avoidance of doubt, Clearing Agency Participants, Investor Participants, Stock Lender Participants and Stock Pledgee Participants under the CCASS Rules will not be permitted to use the TSF at the initial stage.

Registration Criteria

6. An EP or a CCASS Participant who applies to become a TSF Participant should also comply with the following registration criteria:
 - a) The applicant should demonstrate to the satisfaction of the SEHK and/or HKSCC that it has adequate internal controls to differentiate earmarked securities under the TSF;

¹ Direct Clearing Participants are CCASS Participants who can clear and settle their own trades executed on SEHK.

² General Clearing Participants are CCASS Participants who can clear their own trades executed on SEHK as well as trades executed by other EPs who have entered into Clearing Agreements with them.

- b) The applicant should successfully complete the system test(s) prescribed by the SEHK and/or HKSCC from time to time or prove to the satisfaction of SEHK and/or HKSCC of its system readiness for conducting and/or clearing TSF Exchange Trades; and
 - c) The applicant should declare its readiness to the SEHK and/or HKSCC to use the TSF and to deal in and/or clear RMB securities.
7. EPs and CCASS Participants who are interested in becoming TSF Participants should contact their internal IT department and/or back office system vendors to make necessary system enhancements to support the TSF operations (e.g. capability to handle orders requesting for the TSF FX services, segregation of earmarked and non-earmarked shares, etc). They should also review and make any necessary changes to their internal policies, risk management measures, and procedures including documents such as client agreements, contract notes, client statements, etc.
8. A checklist for TSF applicants is available on Appendix I of the TSF Information Paper for EPs' and CCASS Participants' reference to assess their readiness in participating in the TSF.

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於七月二十九日舉行之人證港幣交易通 (“TSF”) 結算練習環節的登記表格

**Registration Form for Clearing Practice Session on using
Renminbi Equity Trading Support Facility (“TSF”)
held on 29 July 2012**

有興趣參與結算練習環節的中央結算參與者，須於**2012年7月13日(星期五)下午6時前**填妥及傳真本表格予香港交易及結算所有限公司結算科 (傳真號碼: 2579-0136 或 2579-0085)。有關該表格的查詢可直接致電CCASS熱線 2979-7111。

CCASS Participants who are interested in participating in the Clearing Practice Session are requested to complete and return this form to the Clearing Division of HKEx **before 6:00 p.m. on 13 July 2012 (Friday)** by fax at 2579-0136 or 2579-0085. Inquiries regarding this form may be directed to CCASS Hotline at 2979-7111.

參與者資料 Participant Information		
參與者名稱 Participant Name		CCASS 參與者代號 CCASS Participant ID
結算主要聯絡 Primary Contact for Clearing		
姓名 Name	電話號碼 Phone No.	電郵地址 Email Address
結算後備聯絡 Alternative Contact for Clearing		
姓名 Name	電話號碼 Phone No.	電郵地址 Email Address