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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: Extension of the Product Type Coverage of the RMB Equity Trading Support Facility (TSF) on 6 August 2012

Enquiry: Hotline at 2979 7111

HKEx is pleased to announce the extension of TSF product type coverage with effect from 6 August 2012.

TSF was launched on 24 October 2011 with the aim to support the trading of RMB equities in the secondary market (Ref: [CD/CCO/CCASS/254/2011](http://www.hkex.com.hk/eng/market/sec_tradinfra/tsf/tsf.htm)). To further facilitate the development and growth of listed RMB products, arrangement has been made with the TSF Partner Banks to extend the coverage of TSF to two additional product types traded in RMB in the secondary market, namely:

- (i) **Exchange Traded Funds (ETFs) with equities as underlying**
- (ii) **Real Estate Investment Trusts (REITs)**

Accordingly, **with effect from 6 August 2012**, both China AMC CSI 300 Index ETF (Stock Code: 83188) and Hui Xian REIT (Stock Code: 87001) will be eligible for the TSF and will be posted to the "List of TSF Stocks" on the HKEx website at http://www.hkex.com.hk/eng/market/sec_tradinfra/tsf/tsf.htm for reference. The "List of TSF Stocks" will be updated upon admission of any RMB stocks eligible for the TSF going forward. The TSF will also start providing RMB FX rates to Participants and investors at the front page of HKEx website. Indicative rates will be provided at the beginning of the respective trading sessions while final rates will be provided after the respective trading sessions for reference.

Use of the TSF

The **TSF Services are only available to those Participants who are registered as TSF Participants**. A list of TSF Participants can be found on the HKEx website at http://www.hkex.com.hk/eng/market/sec_tradinfra/tsf/tsf.htm for reference.

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Please be reminded that TSF orders, once matched on the AMS, are required to settle FX transactions with the TSF on T+2. For details of the trading matters in relation to the TSF, Participants can refer to the circular issued by SEHK today (Ref: [CMD/TMO/041/12](#)).

Settlement of the FX transactions is conducted on CCASS through the CCASS money settlement process. The following CCASS reports and on-line functions are available to the TSF CCASS Participants to facilitate their reconciliation and management of TSF activities, as well as preparation of funding to settle any FX transactions with the TSF:

- TSF Confirmation Report (CSETF07)
- TSF FX Transaction / Stk Rlse Activity / Status Report (CSETF03)
- Intra-Day Trade File (CCLID01) (For GCP only)
- Stock Release Request maintenance functions
- Enquire TSF Payment Instruction function
- Cash Prepayment / TSF Payment Standing Instruction maintenance functions

Details of the CCASS reports and on-line functions are found in the CCASS Terminal User Guide for Participants which is available for download at <http://www.hkex.com.hk/eng/market/clr/secclr/ccass3/partug/partugii.htm>.

Getting ready

TSF Participants are reminded to ensure their front office systems, back office systems and operational procedures (including internal processes, control procedures and documentation) are ready for handling all aspects of TSF trades and TSF FX orders and its settlement as required by the Rules of the Exchange and the General Rules of CCASS and CCASS Operational Procedures, which are available at <http://www.hkex.com.hk>.

Client communication

TSF Participants should ensure clear communication with their clients on the usage of TSF and where applicable, related client agreements, communication channels, procedures and documentation.

TSF Participants should clearly explain to their clients that when they buy RMB stocks with the TSF, they will pay HKD to the TSF (i.e. “HKD in”) and the TSF converts the received HKD into RMB for them to settle the trades. The purchased TSF shares will then be earmarked in CCASS and held in the TSF accounts. When their clients sell the RMB stocks previously bought under the TSF, the sales proceeds in RMB will return to TSF in exchange for equivalent amount of HKD before it is paid to their clients (i.e. “HKD out”). This “HKD in, HKD out” mechanism aims to ensure the RMB supplied by the TSF is re-cycled and stays in the secondary market.

For clients who have bought relevant ETFs with the TSF and wish to redeem such units, TSF CCASS Participants should arrange a TSF stock release (via the Stock Release Function in CCASS) before proceeding with the redemption with the Participating Dealer.

Availability of the TSF fund

Normally, the available TSF fund balances are updated on the front page of HKEx website for reference before the commencement of the morning trading session, during lunch break and after market close on each trading day. Under a rare situation, the TSF FX services may be suspended due to shortage of RMB funding or other reasons. If the TSF FX services are to be suspended for buy orders and/or sell orders, details will be announced and posted on the HKEx website.

Fees

HKSCC will charge a fee of HK\$2 for each TSF FX Transaction settled through CCASS. Participants can refer to “Statement of Money Ledger (CSEMS08)” for details.

Further Information about the TSF

In addition to the important information noted in this circular, Participants can refer to the dedicated TSF webpage at http://www.hkex.com.hk/eng/market/sec_tradinfra/TSF/TSF.htm for more detailed information such as the TSF Information Paper, FAQ, registration criteria, etc.

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

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