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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

事項
Subject: **FURTHER CCASS SERVICE ENHANCEMENTS RELATING TO SHANGHAI-HONG KONG STOCK CONNECT**

查詢
Enquiry: **Hotline at 2979-7123**

Following the launch of the Enhanced Pre-trade Checking Model ("SPSA") and other CCASS service enhancements relating to Shanghai-Hong Kong Stock Connect on 30 March 2015 (See circular ref: CD/CCO/CCASS/078/2015), HKSCC is pleased to announce the introduction of further CCASS service enhancements in two stages ("Further CCASS Enhancements"), subject to the Securities and Futures Commission's approval.

Details of the enhancements scheduled for implementation in December 2015 are set out in Attachment 1 to this Circular. In addition, a further batch of enhancements is tentatively scheduled for implementation in April 2016, including the crucial enhancement for introducing an additional same-day RMB money settlement run for payments relating to China Connect Settlement Instructions ("SI") settled on a DvP basis. This enhancement will offer SIs same-day settlement finality for both stock and money settlement, thereby reducing the overnight counterparty risk that may arise between the investors and brokers. Further details on this enhancement will be published at a later stage.

In connection with the first batch of Further CCASS Enhancements to be implemented in December 2015, HKSCC has today published the relevant report/file specifications and sample files on the HKEx website (please click here). HKSCC has also published on the website today the system interface specifications required for northbound clearing under the proposed Shenzhen-Hong Kong Stock Connect, together with the relevant report/file specifications and sample files (the "Interface Specifications") for Clearing Participants' information since as part of HKSCC's overall enhancement schedule for CCASS, the Further CCASS Enhancements will be implemented on top of the CCASS infrastructure which incorporates the Interface Specifications. The Interface Specifications will be implemented in November 2015 ahead of the first batch of Further CCASS Enhancements, regardless of whether regulatory approvals have been given for the establishment of Shenzhen-Hong Kong Stock Connect by that time.

Participants are advised to consult their internal IT support units or system vendors and assess whether changes need to be made to their back office systems to implement the Further CCASS Enhancements in light of HKSCC's implementation of the Interface Specifications. Participants should note that depending on the regulatory approvals given to the final operational model, amendments may need to be made to the Interface Specifications. Even if system changes are not required to implement the Further CCASS Enhancements, Participants may nevertheless take into account the Interface Specifications when planning for their own system enhancements.

HKSCC wishes to emphasise that the sole purpose of releasing the Interface Specifications is to facilitate and implement HKSCC's overall system enhancement schedule for CCASS. ***As at today's date, no regulatory announcements or approvals have been made regarding the implementation of Shenzhen-Hong Kong Stock Connect, and Participants should not regard this circular as an indication of imminent announcement by the relevant authorities.***

Please send enquiries on trading arrangements to trd@hkex.com.hk and clearing and settlement arrangements to clg@hkex.com.hk.

Terek Mak
Senior Vice President
Cash Clearing Operations

List of CCASS Service Enhancements in December 2015 (unless specified otherwise)

1. *Enhance SPSA Infrastructure for A-share Market:*

- A new online function "SPSA Delivery Failure Maintenance" will be available from 19:00 to 19:45 on each trading day to replace the form-based request and the submission of supporting CCASS reports for adjustment of sellable balance and release of SI (if applicable) due to SPSA delivery failure. The adjustment of sellable balance will be shown in a new report "A-share Sellable Balance Adjustment Report (CSEAS05)" and an audit trail report "A-share Sellable Balance Adjustment Audit Trail Report (CSEAS07)";

- "Trade File of SPSA (CCLTA01)" will be provided to China Connect Clearing Participants ("CCCPs") in addition to Custodian Participants and GCPs which are not Exchange Participants; and

- A new data field "buy-sell indicator" will be added to CCLTA01 for future use.*

2. *Allow DI input for CNS settlement and extend CCASS Function Time for A-share Market:*

- Input DI (for CNS settlement) will be available for A-share market from 16:00 to 19:00;

- The final SI matching and SI batch settlement run will be extended from 19:30 to 19:45, which will defer the generation of the corresponding Unmatched SI Report (CCLUS01), Settled Position Report (CSESP01) and Intra-day ISI / SI Full List (CSESI02) from 19:45 to 20:00; and

- The closing times of various functions will be extended by 15 minutes. These are summarised below:

	Market	Current Function Time	New Function Time
SPSA Delivery Failure Maintenance (new function)	MAMK	N/A	19:00 to 19:45
Input DI	MAMK	19:15 to **<u>19:30</u>** (for SI settlement)	19:15 to **<u>19:45</u>** (for SI settlement)
Change DI Requirement	MAMK	07:15 to **<u>19:30</u>**	07:15 to **<u>19:45</u>**
Mass ATI/STI	MAMK	07:15 to **<u>19:30</u>**	07:15 to **<u>19:45</u>**
Input ATI / STI Maintenance	MAMK	08:00 to **<u>19:45</u>**	08:00 to **<u>20:00</u>**
ATI / STI File Upload	GLOB^	08:00 to **<u>19:45</u>**	08:00 to **<u>20:00</u>**
SI Maintenance	MAMK	07:15 to **<u>19:30</u>**	07:15 to **<u>19:45</u>**
SI File upload	GLOB^	07:15 to **<u>19:15</u>**	07:15 to **<u>19:30</u>**
Hide Unmatched SI Content Counterparty List Maintenance	MAMK	07:15 to **<u>19:30</u>**	07:15 to **<u>19:45</u>**
SI Tolerance Limit Maintenance	GLOB^	07:15 to **<u>19:30</u>**	07:15 to **<u>19:45</u>**

Note: ^ The extension of time for this function will also apply to the Hong Kong Market

3. *Automate the intra-day Mainland Settlement Deposit calculation and collection:*

- Upon completion of the calculation, a broadcast message and a new report on intra-day Mainland Settlement Deposit shortfall will be generated to Clearing Participants. CCCPs can elect to pay the intra-day Mainland Settlement Deposit shortfall via CHATS Payment Instructions ("CPI") or by making payments to the bank accounts of HKSCC via RTGS. If CCCPs elect to pay via CPI, CCCPs are required to submit an authorisation form to HKSCC for processing. The authorisation form will be circulated in due course; and

- The details of the intra-day Mainland Settlement Deposit ("MSTD") computation for the Shanghai market will be shown in a new report "Intra-day Mainland Settlement Deposit Payable Report (Shanghai) (CRMSD07)".

4. *Increase the refund frequency of Mainland Settlement Deposit:*

Refund of Mainland Settlement Deposit will be performed on a daily basis starting from the day ChinaClear conducts its collection/refund of the relevant deposit from or to HKSCC after its monthly review to the last business day of that month.

5. *Advance the refund date of Mainland Security Deposit:*

Refund of Mainland Security Deposit will continue to be performed on a monthly basis, but HKSCC will advance the refund to CCCPs from the 10^{th} business day of each month to as soon as practicable after ChinaClear conducts its collection/refund of the relevant deposit from or to HKSCC after its monthly review.

6. *Replace Autopay Instructions by EPIs for the collection of CCASS fees and expenses:*

EPIs will replace autopay instructions to collect fees and expenses payable by Participants other than Investor Participants on a weekly basis for CCASS services. On each Saturday, CCASS will generate a debit EPI for each Participant according to the balance of its Billing Account and the corresponding entry will be posted in the Statement of Money Ledger (CSEMS08).

On each Monday, the billing amount will be directly debited by means of EPI from the Participant's designated bank account. If any Monday or Saturday is a public holiday, the processing described above will be postponed to the following Business Day. <u>This change will affect all Participants other than Investor Participants.</u>

7. *Miscellaneous Changes to other reports:*

No.	Report ID	Report Name	Changes
1	CCDPC02*	Monthly Portfolio Fee Collection Report of China Connect Markets	New report to replace the existing "Monthly Portfolio Fee Collection Report(CCDPC01)"
2	CRMSD01*	Mainland Settlement Deposit Payable Report (Shanghai)	Change to market report with modified field description and remarks

No.	Report ID	Report Name	Changes
3	CRMGF01*	Mainland Security Deposit Payable Report (Shanghai)	Change to market report with modified field description and remarks
4	CCMIA12*	Quarterly Interest Report for Mainland Settlement Deposit and Mainland Security Deposit (Shanghai)	Change to market report with modified field description
5	CCNAN06	Corporate Announcement Maintenance Activities Report	Change made to field description

*Remark: * Changes will be implemented in November 2015.*