**Guidelines for conducting the simulation test for trading of RMB products to be held on 19 March 2011 (Saturday)**

(a)   For both MWS and BSS users, please do not input any next day requests after trading hours on Friday, 18 March 2011 since next day requests will be submitted to AMS/3 host during the simulation test and will not be available on the following Monday.

(b)   The Exchange will open the Trading Hall and turn on all on-floor and off-floor trading terminals, OG/MWS and OG/BSS for EPs to conduct the simulation test. ORS and PNS systems will also be available for the simulation test.

(c)   Users of all off-floor trading devices (including terminals, OG/MWS and OG/BSS) are requested to perform smart card log on by using the **production Smart Card and PIN number**.

(d)   EPs should use **production trader ID and password "123456"** to perform trading system log on for all trading devices. For details of log on procedures and password arrangements, please refer to the Activity Rundown (Attachment II).

(e)   **Test Securities -** A list of test securities denominated in RMB (Attachment III) will be created to facilitate the EPs for trading of RMB products during the simulation test. In addition to these newly created RMB securities, the stock image at the close of 28 January 2011 will also be used as the stock database for the simulation test and such information will be available in HKEx website under Market Operations/ Securities Trading Infrastructure/ Preparation for Trading and Clearing of Renminbi (RMB) Products at http://www.hkex.com.hk/eng/market/sec_tradinfra/prepareRMB/prepareRMB.htm with effect from 1 March 2011.

(f)   The simulation test will include the following sessions:

Time	Session
9:00 am to 9:30am	Pre-opening Session
9:30am to 12:00 noon	Morning Session
12:05pm	Day Close

(g)   EPs should leave their on-floor and off-floor trading terminals, OG/MWS and OG/BSS components powered on throughout the weekend. This is essential to allow HKEx to perform housekeeping work on all trading devices after the simulation test to ensure the devices are in proper order for production trading on the following Monday.

(h)   **Contingency Arrangements** - Contingency Arrangements upon issuance of Typhoon and/or Rainstorm Warning Signal on the day of simulation test:

- In case Typhoon Signal No. 8 or above and / or Black Rainstorm Warning is issued or continues to be issued after 7:00am and before 9:00am on the day of simulation test, the simulation test will be cancelled and will not be resumed for the rest of the day.

- In case Typhoon Signal No. 8 or above is issued after 9:00am on the day of simulation test, the simulation test will be terminated 15 minutes thereafter.

- In case Black Rainstorm Warning is issued after 9:00am on the day of simulation test, the simulation test will continue until completion.

- In any case, all participating EPs should complete the appropriate day-end works including file / database backup, system restoration / fallback and etc before, during and/or after the simulation test.

(i) **Submission of Stamp Duty – Daily Return (Form SD-1)** - EPs should calculate the stamp duty payable and complete the Form SD-1 (available for download from the HKEx website at http://www.hkex.com.hk/eng/market/sec_tradinfo/Documents/SD-1_Final_Version_Eng_20100526.xls) based on the transactions concluded during the simulation test and submit the completed Form SD-1 via email to RMBtestSD1@hkex.com.hk **before 12:00 noon on 21 March 2011 (Monday)**. Please refer to the following procedures for submission of Form SD-1 for RMB Readiness Test.

(1) EPs are requested to note that stamp duty shall be paid to the Exchange in Hong Kong dollars irrespective of the trading currencies of the transactions, as prescribed in the Rules of the Exchange. To facilitate the calculation of stamp duty for transactions concluded on RMB products during the simulation test, the exchange rate of **1 CNY as equivalent to 1.1710 HKD** (i.e. the exchange rate on 28 January 2011) will be used for stamp duty calculation and such exchange rate is also available on the HKEx website at http://www.hkex.com.hk/eng/market/sec_tradinfo/stampfx/2011stampfx.htm.

(2) Before opening the Excel template, please ensure that the Macro Security setting of your Excel application [Tools→Macro→Security→Security Level (see diagram below)] is either at Medium or Low. If the setting is at Medium, you will be prompted to enable or disable macros and you should click "Enable Macro" upon opening of the Excel template. If the setting is at Low (due to security reasons this setting is NOT recommended), you will not be prompted and all macros will be automatically enabled.
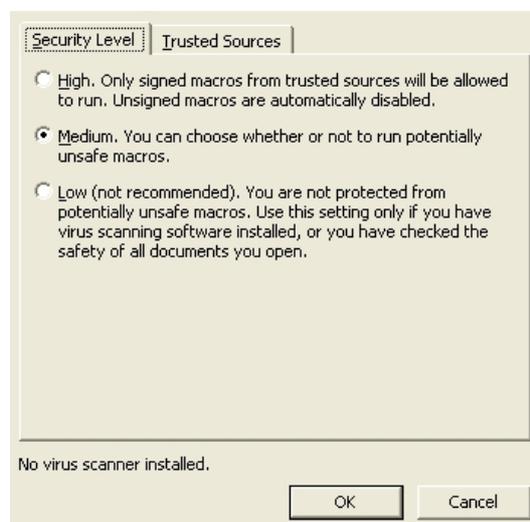
(3) After the Excel template is opened, fill in the details of the Form SD-1 for the trade date – 19 March 2011 (i.e. 20110319). Please note that the form must be completed _**in English**_.

(4) After the completed form is duly checked, press the button "Extract" on the upper right corner to generate the electronic Form SD-1 in CSV format. You will be prompted with the specified path for saving the file. The default path is where the Excel template is saved but you may also change it if you want to save it in another location. Press "OK" to proceed.

(5) A confirmation message will appear when the CSV file is successfully generated. Press "OK" to proceed and the CSV file with the following naming convention will be saved in the path specified in point (4):

S D 1 _ X X X X X _ Y Y Y Y M M D D . C S V

4-digit EP Firm ID with a leading zero   *Trade date of the Form SD-1 (i.e.20110319)*

(6) Submit the CSV file to the Exchange via email to RMBtestSD1@hkex.com.hk **before 12:00 noon on 21 March 2011 (Monday)** and <u>EPs should note that actual payment for the stamp duty for transactions concluded during the simulation test would NOT be required, and special caution should be exercised by EPs to prevent confusing with real life transactions</u>.

(j) **Submission of Confirmation of Completion of RMB Readiness Test -** After completion of the trading simulation test, clearing simulation test and Payment Pilot Run, EPs are required to complete and return the "Confirmation of Completion of RMB Readiness Test and Readiness for Dealing in RMB Securities" (Attachment IV) to HKEx – Trading Division **before 6:00pm on 21 March 2011 (Monday)** by fax (Fax Nos. 2521-7899 or 2868-5223).