

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

Subject: Orion Risk Platform – Familiarisation Programme

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Hong Kong Securities Clearing Company Limited (HKSCC) is pleased to announce the introduction of the Familiarisation Programme of Orion Risk Platform (ORP), previously known as Next Generation Risk Management Platform (NGRM), from 11 January 2021 until mid-2021 to facilitate Clearing Participants' (CPs) familiarisation with:

- (i) Margin and stress testing of the new risk models (i.e. NextGen Risk Models) for the transactions in the Hong Kong Market;
- (ii) Default Fund¹ contribution upon the launch of the new risk models; and
- (iii) The ORP, including the ORP system for risk related calculation / simulation and Report Access Platform (RAP) for risk related reports retrieval.

During the course of the Familiarisation Programme, CPs will be able to retrieve their margin, stress testing and Default Fund contributions information calculated based on the new risk models via RAP for reference, and compare such information against that calculated by the existing flat-rate model in CCASS. In addition, CPs will also be able to calculate the margin requirements for simulated portfolios created by CPs themselves based on the new risk models via the ORP system.

¹ Default Fund is equivalent to the term Guarantee Fund being used in General Rules of CCASS.

The Familiarisation Programme will be implemented in phases:

- (i) Phase 1 (to be launched on 11 January 2021) - CPs will be able to retrieve margin related reports calculated based on the new risk models.
- (ii) Phase 2 (to be launched in Q2 2021 tentatively) – In addition to reports already available in Phase 1, CPs will be able to retrieve stress testing and Default Fund contribution related reports as well as access ORP system for margin simulation purposes.

During Phase 1, the ORP will calculate CPs' margin requirements based on their actual portfolios and generate relevant reports. CPs are advised to prepare for Phase 1 of such Familiarisation Programme as follows:

- (i) Apply for a RAP User ID by submitting a duly signed [Registration Form for HKSCC RAP²](#) **before the end of February 2021** if the CP has not already done so;
- (ii) Arrange technical setup for RAP and verify the connectivity upon receipt of the RAP User ID from HKSCC;
- (iii) Study the Familiarisation Programme Information Package and relevant report specifications which will be available in the designated web corner on HKEX website (the [web corner](#)) on 8 January 2021;
- (iv) Follow the Familiarisation Programme Information Package to retrieve new margin reports during operating hours from 11 January 2021 onwards and compare the margin requirement calculated based on the new risk models against that calculated based on the existing flat-rate model in CCASS for internal reference; and
- (v) Visit the [web corner](#) regularly for the latest information of the ORP Familiarisation Programme.

CPs should note that during the Familiarisation Programme, the ORP is not in commercial operation and should not be used in any commercial context or form. As such, the ORP and any output that can be obtained from such platform including without limitation the new set of margin reports are, during the Familiarisation Programme, provided for familiarisation purposes only. CPs therefore

² HKSCC will process the duly completed forms by batches. CPs will receive email notifications upon User ID registration.

should not rely on the ORP or any output from such platform in any way and should continue their normal risk management measures, prepare funding and make payments according to existing CCASS reports and schedule until the business implementation of the ORP and the new risk models.

For effective communication, HKSCC will provide regular updates, latest information and upcoming activities directly to your nominated Project Coordinators. In case you are yet to nominate your Project Coordinators (CPs are recommended to nominate two, i.e. Primary and Secondary contacts), or wish to update the Project Coordinators, please send an email to NG_PostTrade@hkex.com.hk with your Participant ID, the names, titles, emails and contact numbers of your nominated Project Coordinators at once.

Terence Low
Head of Clearing Risk Management

This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.

本通告已以英文及另以中文譯本刊發。如本通告中文本的字義或詞義與英文本有所出入，概以英文本為準。