



# Trading Calendar Enhancement for Stock Connect

September 2022

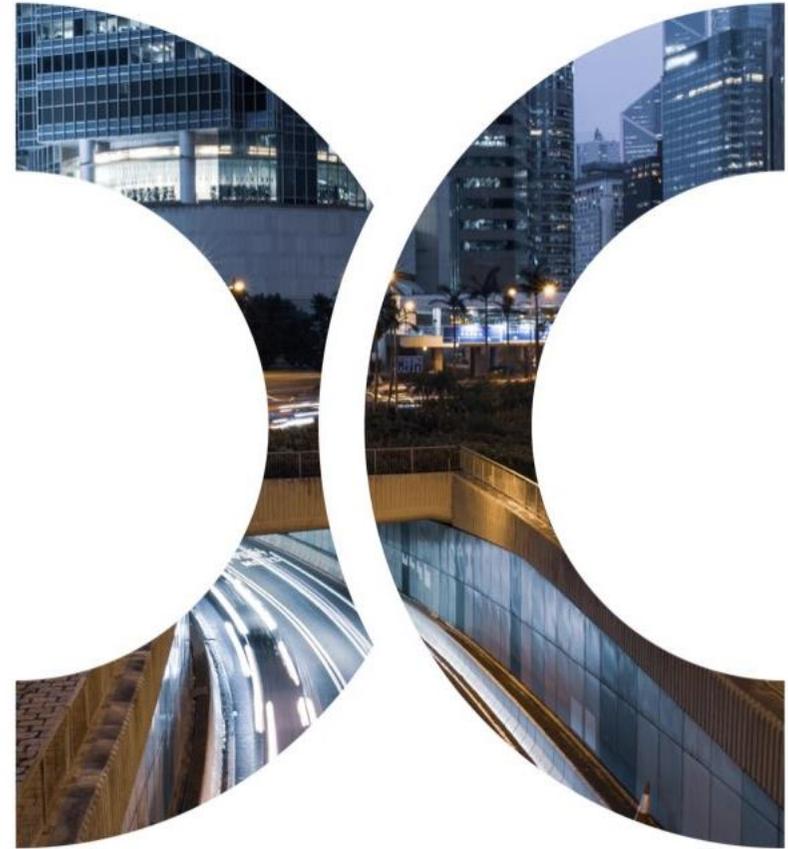
**HKEX**  
香港交易所

# Agenda

- 01 | Background
- 02 | Northbound Arrangement for H-1 Day
- 03 | Severe Weather Arrangement for H-1 Day
- 04 | 2022 Trading Calendar after Adjustments
- 05 | Implementation
- 06 | Appendix



# 01 | Background



## 01 | Background

### Existing Arrangement

- No Stock Connect trading on home market trading days due to lack of banking services to handle money settlement on holidays
- In 2022, there is no Stock Connect trading on following dates:

Northbound		
HK holiday (H)	6 days	15 - 18 Apr, 9 May, 1 Jul, 26 - 27 Dec
H-1 (not a HK holiday)	4 days	14 Apr, 6 May, 30 Jun, 23 Dec
Southbound		
Mainland holiday (M)	10 days	31 Jan, 4 Feb, 4 Apr, 3 - 4 May, 3 Oct, 5 - 7 Oct
M-1 & M-2 (not a mainland holiday)	8 days	27 - 28 Jan, 31 Mar, 1 Apr, 28 - 29 Apr, 29 - 30 Sep

### Enhancement

On 12 August 2022, the China Securities Regulatory Commission and the Securities and Futures Commission have approved, in principle, adjustments to the trading calendar for Stock Connect.

- **To allow Northbound investors to buy and sell on H-1**
- **To allow Southbound investors to buy and sell on M-1 and M-2**



**“H-1 day”** will be defined as the Settlement Day immediately preceding a day which is a public holiday in Hong Kong but not in Mainland China.

## 02 | Northbound Arrangement for H-1 Day

- Clearing and Settlement
- Risk Management
- Corporate Actions
- Designated Banks



## 02 | Northbound Arrangement for H-1 day – Clearing and Settlement

The Stock Connect market currently operates on :

- T day settlement for securities
- T+1 day settlement for money

### Existing principles for Northbound Stock Connect around a Hong Kong Holiday:

- (1) Trading is not allowed on a Hong Kong holiday
- (2) Trading is not allowed if banking services are not available on the corresponding money settlement day

Trading and settlement around a Hong Kong market holiday behaves as follows today:

Northbound	Hong Kong	Mainland	Trading Day (T-day)	Securities Settlement (for T-day's trades)	Money Settlement (for T-1 day's trades)
5 May 2022 (Thu)	Business Day		✓	✓	✓
6 May 2022 (Fri)	Business Day		X	X	✓
9 May 2022 (Mon)	Public Holiday	Business Day	X	X	X
10 May 2022 (Tue)	Business Day		✓	✓	✓ #



# Process money transactions in relation to nominee's activities with respect to SSE/SZSE Securities.

## 02 | Northbound Arrangement for H-1 day – Clearing and Settlement

Adjustments to Northbound Trading and Settlement activities will be as follows:

Northbound	Hong Kong	Mainland	Trading Day (T-day)	Securities Settlement (for T-day's trades)	Money Settlement (for T-1 day's trades)
5 May 2022 (Thu)	Business Day		✓	✓	✓
<b>H-1</b> 6 May 2022 (Fri)	Business Day		X -> ✓	X -> ✓	✓ <sup>^</sup>
9 May 2022 (Mon)	Public Holiday	Business Day	X	X	X
10 May 2022 (Tue)	Business Day		✓	✓	✓ <sup>#</sup>

<sup>^</sup> Process money settlement for China Connect Clearing Participants (“CCCP”) with **NET PAYABLE** CNS money positions in regard to their Northbound China Connect Trades conducted on T-day (i.e. 6 May 2022), if any.

<sup>#</sup> Process money settlement for **CCCPs with net receivable CNS money positions in regard to their Northbound China Connect Trades conducted on previous T-day (i.e. 6 May 2022)**, if any and also process money transactions in relation to nominee’s activities conducted on or before 1<sup>st</sup> Hong Kong business day (i.e. from 9 – 10 May 2022) with respect to SSE/SZSE Securities.

	Money Settlement on Normal days	Money Settlement on H-1 day
1 CCCPs with net payable amount	Settle by 12:00 noon on T+1	Settle by 6:00 p.m. on T day
2 CCCPs with net receivable amount	Settle at around 12:30 pm on T+1	Same as in normal days - Settle at around 12:30 pm on T+1 (1 <sup>st</sup> Hong Kong business day after a Hong Kong holiday)

Modified



## 02 | Northbound Arrangement for H-1 day – Clearing and Settlement

	Existing Arrangement	Proposed Arrangement for H-1
<b>Securities Settlement</b>	<ul style="list-style-type: none"> <li>4 batch settlement runs on T day: 4:45 p.m. / 5:30 p.m. / 6:15 p.m. / 7:00 p.m.</li> </ul>	<ul style="list-style-type: none"> <li>Same as existing arrangement on normal day</li> </ul>
<b>Settlement monies</b>	<ul style="list-style-type: none"> <li><u>Net buy CCCPs</u> Pay by 12:00 noon on T+1 via CPI (deal code: J)</li> </ul>	<ul style="list-style-type: none"> <li><u>Net buy CCCPs</u> <ul style="list-style-type: none"> <li>HKSCC will issue CPI (deal code: N) at around 4:45 p.m. on T day to collect the net payable amount*</li> <li>Settle the net payable CNS money positions (CPI) by 6:00 p.m. on T day</li> </ul> </li> </ul> <p>*Note: If CCCP has set up standing instruction of cash prepayment for China Connect Securities, the CPI will be generated according to the cash prepayment amount</p>
	<ul style="list-style-type: none"> <li><u>Net sell CCCPs</u> Receive at 12:30 p.m. on T+1 via CPI (deal code: K)</li> </ul>	<ul style="list-style-type: none"> <li>Same as existing arrangement on normal day, <b>just T+1 will be the 1<sup>st</sup> Hong Kong business day after HK holiday</b></li> </ul>
<b>Cash prepayment</b>	<ul style="list-style-type: none"> <li>Either setup standing instruction for cash prepayment or input instruction on each settlement day</li> <li>HKD/USD collateral is accepted</li> </ul>	<ul style="list-style-type: none"> <li>There is no impact on existing online input Cash Prepayment Instructions with “CHATS” and “OTHERS”.</li> <li><b>No HKD/USD collateral will be accepted on H-1</b></li> </ul>
<b>Fees, Stamp Duty and RM monies</b>	<ul style="list-style-type: none"> <li>Collect via day-end DDI on T+1 day</li> </ul>	<ul style="list-style-type: none"> <li>Same as existing arrangement on normal day</li> </ul>



## 02 | Northbound Arrangement for H-1 day – Clearing and Settlement



### Key changes

#### Net buy CCCPs

Settle the net payable CNS money positions **by 6:00 p.m. on T day**

#### Net sell CCCPs

Settle at around 12:30 pm on T+1 (**1<sup>st</sup> Hong Kong business day after a Hong Kong holiday**)

#### Cash prepayment

**NO** HKD/USD collateral will be accepted on H-1

### Action items



CCCPs are reminded to consult with your designated bank on H-1 funding arrangement



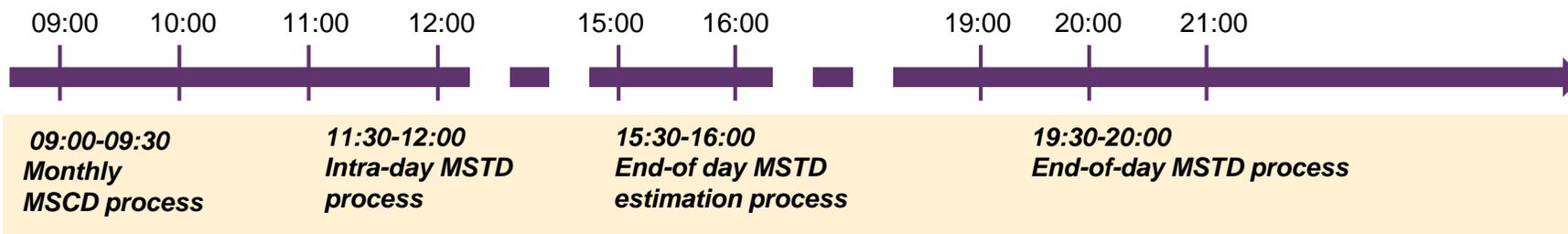
Failure to settle any payment obligations on time, including the net payable obligation for T-day trades as mentioned above, **will constitute an event of default** and HKSCC may take default actions against the relevant CCCPs if it is considered appropriate.



## 02 | Northbound Arrangement for H-1 day – Risk Management

### Risk management arrangement on normal day and additional trading day:

#### Regular Schedule



**Northbound**  
(for CCCP only)

#### Daily Mainland Settlement Deposit (MSTD)

##### Normal Day

##### Additional Trading Day

- 1 **Projection**  
- Distribution Channel
- 2 **Intraday MSTD Payment Deadline**
- 3 **Day-end MSTD Payment Deadline**

❖ MSTD projection in VaR report	❖ Same as existing arrangement on normal day
❖ Risk - Northbound MSTD Requirement Report (RMCNM01)	
❖ Intraday MSTD – same day 2:00pm	❖ Same as existing arrangement on normal day
❖ Daily Day-end MSTD – next Hong Kong business day 9:30am	❖ Existing arrangement on normal day ❖ Daily Day-end MSTD – <b>1<sup>st</sup> Hong Kong business day after a Hong Kong holiday</b> 9:30am

#### Monthly Mainland Security Deposit (MSCD)

##### Normal Day

##### Additional Trading Day

- 1 **Calculation Methodology**
  - 2 **Payment Deadline**
- 

❖ Monthly MSCD is calculated based on the sum of daily <b>trading</b> amount	❖ Same as existing arrangement on normal day
❖ Next business day after monthly review, to be paid by 9:30 am	❖ Same as existing arrangement on normal day

## 02 | Northbound Arrangement for H-1 day – Risk Management

Failed settlement handling will follow existing practice:

Failed Settlement Handling			
	Normal Day	Additional Trading Day	
1	<b>Securities settlement failure</b>	❖ Compulsory buy-in and default fee will be enforced on T+1 unless exempted	❖ Same as existing arrangement on normal day
2	<b>Money settlement failure</b>	❖ HKSCC may take default actions against the relevant CCCPs if it is considered appropriate	❖ Same as existing arrangement on normal day



## 02 | Northbound Arrangement for H-1 day – Corporate Actions

Corporate Actions Arrangement		
	Normal Day	Additional Trading Day
1 CCASS functions	❖ CCASS access is generally available from 7:15 a.m. to 9:30 p.m.	❖ Same as existing arrangement on normal day
2 Input deadline	❖ Deadline for inputting voting instructions, Proxy instructions and Shareholdings Category Disclosure where the deadline prescribed by HKSCC for inputting such instruction falls on such day – 4:15 p.m.	❖ Same as existing arrangement on normal day



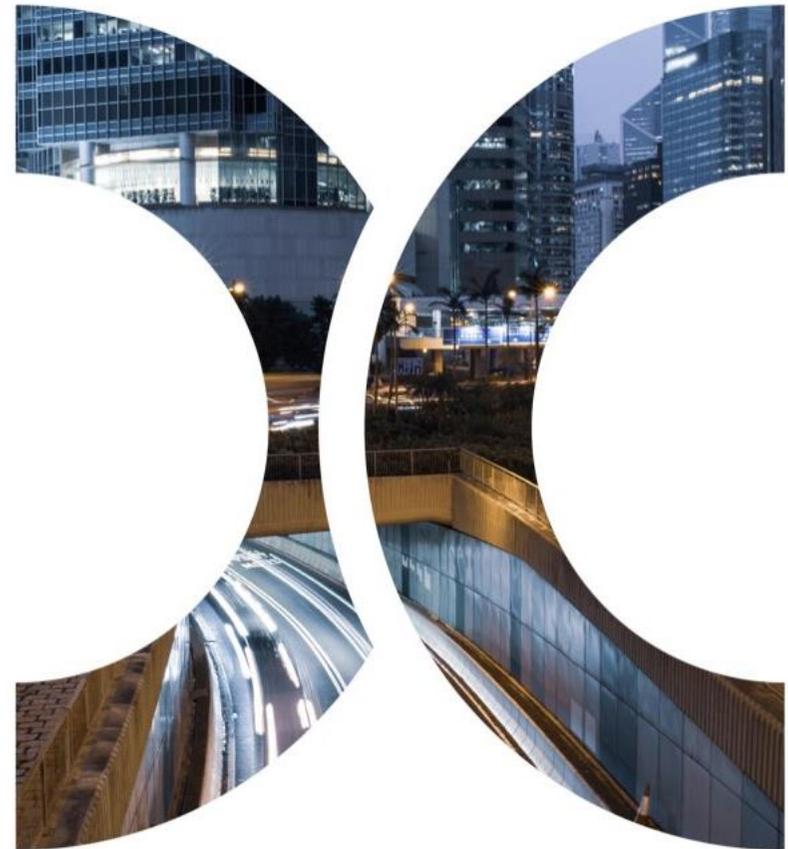
## 02 | Northbound Arrangement for H-1 day – Designated Banks

Regarding to CCCP's Northbound China Connect Trades conducted on H-1, the CCCP has to settle their **NET PAYABLE** CNS money position by 6:00 p.m. on the same day H-1. Designated Banks should communicate with their CCCP to review the funding arrangement on H-1 in order to meet the CPI payment deadline at 6:00 pm.

CHATS Payment Instruction Arrangement		
	Normal Day	Additional Trading Day
1 <b>CPI Report (CSEPI03) Time available</b>	❖ 9:30 a.m., 10:30 a.m., 11:00 a.m., 12:00 noon, 2:00 p.m., 4:45 p.m., 5:30 p.m., 6:15 p.m. and 7:00 p.m.	❖ Same as existing arrangement on normal day
2 <b>Payment deadline for net buy CCCPs</b>	❖ Payment to be completed by 12:00 noon on T+1, except for the CCCP who has already completed cash pre-payment on T day	❖ Payment to be completed by 6:00 p.m. on T day ❖ The corresponding CPI will be issued on the 4:45 pm CPI report (CSEPI03) with a <b>Deal code "N"</b>
3 <b>Payment deadline for net sell CCCPs</b>	❖ Payment to be completed by 12:30 noon on T+1	❖ Same as existing arrangement on normal day



### 03 | Severe Weather Arrangement for H-1 day



## 03 | Severe Weather Arrangement for H-1 day

Scenarios	Northbound Trading	Money Settlement (for T-1 position)	Securities Settlement (for T position)	Money Settlement (for T net payable position)
1. T8 / Black rainstorm issued before HK market opens (i.e. 9:00 a.m.) and discontinued after 12:00 noon	Not open	No	N/A	N/A
2. T8 issued between 9:00 a.m. and 9:15 a.m.	Closed	Yes	N/A	N/A
3. T8 issued after SSE/SZSE market opens (i.e. 9:15 a.m.)	Trading will continue for 15 minutes after T8 issuance, thereafter, only order cancellation is allowed till SSE/SZSE market close	Yes	Yes	Yes
4. Black rainstorm issued after HK market opens (i.e. 9:00 a.m.)	Trading continues as normal	Yes	Yes	Yes
5. T8 / Black rainstorm discontinued at or before 12:00 noon	Trading resumes after 2 hours	Postpone to 3 p.m.	Yes	Yes

**No change on current Severe Weather Arrangement. For the new money settlement run for T-day net payable position, it will follow existing practice.**



## 03 | Severe Weather Arrangement for H-1 day

Corporate Actions handling of SSE/SZSE securities on additional trading days under Severe Weather Condition should follow existing arrangement. Below is the summary of existing arrangement:

	Typhoon signal/Black Rainstorm issued before 9 a.m. and discontinued at or before 12 noon	Typhoon signal issued at or after 9:00 a.m.	Typhoon signal/Black Rainstorm issued before 9 a.m. and discontinued after 12 noon
Shareholding Date of Benefit Entitlement	No impact	No impact	No impact
Payable Date	No impact	Postpone to next business day	Postpone to next business day
Shareholding Date of Voting	No impact	No impact	No impact
Voting End Date	Instruction input function resume after CCASS service resumption	No impact	Manual instruction to HKSCC will be required
Subscription End Date of Takeover Offer/Right Issue	Instruction input function resume after CCASS service resumption	No impact	Manual instruction to HKSCC will be required

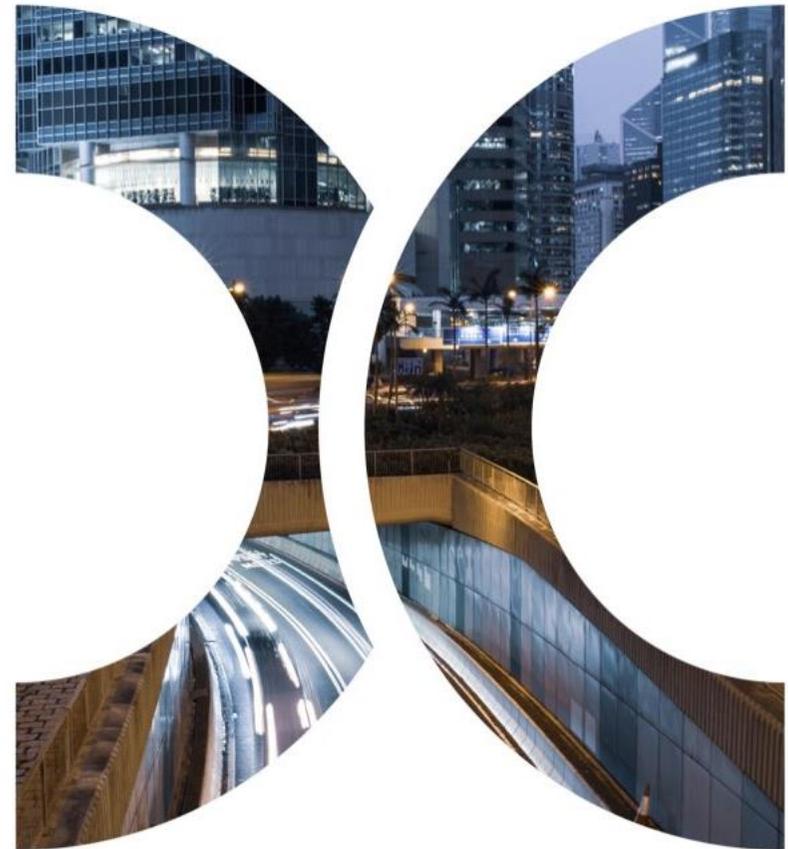
No change

Remarks:

Scrip entitlement will be credited to Participants' stock account at around 7:30 am on the business day following the scheduled payable date when it falls on typhoon issued at or after 9:00 am or whole-day typhoon/black rainstorm cases CPs will be informed of the arrangement via Broadcast Message on CCASS terminals



## 04 | 2022 Trading Calendar after Adjustments



# 04 | 2022 Trading Calendar after Adjustments

Trading Calendar of Stock Connect (Jan 2022 - Dec 2022)

Jan	3	4	5	6	7	10	11	12	13	14	17	18	19	20	21	24	25	26	27	28	31
	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon
Hong Kong																					Half Day
Shanghai & Shenzhen	Holiday																				Holiday
Northbound Trading	Closed																				Closed
Securities Settlement (for T-day's trades)	X																				X
Money Settlement (for T-1 day's trades)	X																				X
Settlement Instruction (SI) Settlement	X																				X

Feb	1	2	3	4	7	8	9	10	11	14	15	16	17	18	21	22	23	24	25	28
	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon
Hong Kong	Holiday	Holiday	Holiday																	
Shanghai & Shenzhen	Holiday	Holiday	Holiday	Holiday																
Northbound Trading	Closed	Closed	Closed	Closed																
Securities Settlement (for T-day's trades)	X	X	X	X																
Money Settlement (for T-1 day's trades)	X	X	X	X																
Settlement Instruction (SI) Settlement	X	X	X	X																

Mar	1	2	3	4	7	8	9	10	11	14	15	16	17	18	21	22	23	24	25	28	29	30	31
	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu
Hong Kong																							
Shanghai & Shenzhen																							
Northbound Trading																							
Securities Settlement (for T-day's trades)																							
Money Settlement (for T-1 day's trades)																							
Settlement Instruction (SI) Settlement																							

Apr	1	4	5	6	7	8	11	12	13	14	15	18	19	20	21	22	25	26	27	28	29	
	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	
Hong Kong			Holiday								Holiday	Holiday										
Shanghai & Shenzhen		Holiday	Holiday																			
Northbound Trading		Closed	Closed							Closed	Closed	Closed										
Securities Settlement (for T-day's trades)		X	X							X	X	X										
Money Settlement (for T-1 day's trades)		X	X								X	X	#									
Settlement Instruction (SI) Settlement		X	X								X	X										

For illustrative purpose only



# 04 | 2022 Trading Calendar after Adjustments

May	2	3	4	5	6	9	10	11	12	13	16	17	18	19	20	23	24	25	26	27	30	31
	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue
Hong Kong	Holiday					Holiday																
Shanghai & Shenzhen	Holiday	Holiday	Holiday																			
Northbound Trading	Closed	Closed	Closed		Closed	Closed																
Securities Settlement (for T-day's trades)	X	X	X		X	X																
Money Settlement (for T-1 day's trades)	X	X	X			X	#															
Settlement Instruction (SI) Settlement	X	X	X			X																

Jun	1	2	3	6	7	8	9	10	13	14	15	16	17	20	21	22	23	24	27	28	29	30
	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu
Hong Kong			Holiday																			
Shanghai & Shenzhen			Holiday																			
Northbound Trading			Closed																			Closed
Securities Settlement (for T-day's trades)			X																			X
Money Settlement (for T-1 day's trades)			X																			
Settlement Instruction (SI) Settlement			X																			

Jul	1	4	5	6	7	8	11	12	13	14	15	18	19	20	21	22	25	26	27	28	29
	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri
Hong Kong	Holiday																				
Shanghai & Shenzhen																					
Northbound Trading	Closed																				
Securities Settlement (for T-day's trades)	X																				
Money Settlement (for T-1 day's trades)	X	#																			
Settlement Instruction (SI) Settlement	X																				

Aug	1	2	3	4	5	8	9	10	11	12	15	16	17	18	19	22	23	24	25	26	29	30	31
	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed
Hong Kong																							
Shanghai & Shenzhen																							
Northbound Trading																							
Securities Settlement (for T-day's trades)																							
Money Settlement (for T-1 day's trades)																							
Settlement Instruction (SI) Settlement																							

For illustrative purpose only



# 04 | 2022 Trading Calendar after Adjustments

Sep	1	2	5	6	7	8	9	12	13	14	15	16	19	20	21	22	23	26	27	28	29	30
	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri
Hong Kong								Holiday														
Shanghai & Shenzhen								Holiday														
Northbound Trading								Closed														
Securities Settlement (for T-day's trades)								X														
Money Settlement (for T-1 day's trades)								X														
Settlement Instruction (SI) Settlement								X														

Oct	3	4	5	6	7	10	11	12	13	14	17	18	19	20	21	24	25	26	27	28	31
	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon
Hong Kong		Holiday																			
Shanghai & Shenzhen	Holiday	Holiday	Holiday	Holiday	Holiday																
Northbound Trading	Closed	Closed	Closed	Closed	Closed																
Securities Settlement (for T-day's trades)	X	X	X	X	X																
Money Settlement (for T-1 day's trades)	X	X	X	X	X																
Settlement Instruction (SI) Settlement	X	X	X	X	X																

Nov	1	2	3	4	7	8	9	10	11	14	15	16	17	18	21	22	23	24	25	28	29	30
	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed
Hong Kong																						
Shanghai & Shenzhen																						
Northbound Trading																						
Securities Settlement (for T-day's trades)																						
Money Settlement (for T-1 day's trades)																						
Settlement Instruction (SI) Settlement																						

Dec	1	2	5	6	7	8	9	12	13	14	15	16	19	20	21	22	23	26	27	28	29	30
	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri
Hong Kong																		Holiday	Holiday			
Shanghai & Shenzhen																						
Northbound Trading																	Closed	Closed	Closed		*	*
Securities Settlement (for T-day's trades)																	X	X	X			
Money Settlement (for T-1 day's trades)																		X	X	#		
Settlement Instruction (SI) Settlement																		X	X			

#: process money transactions in relation to nominee's activities with respect to SSE/SZSE Securities, if any.

\*: depends on holiday schedule of 2023 for both markets

For illustrative purpose only

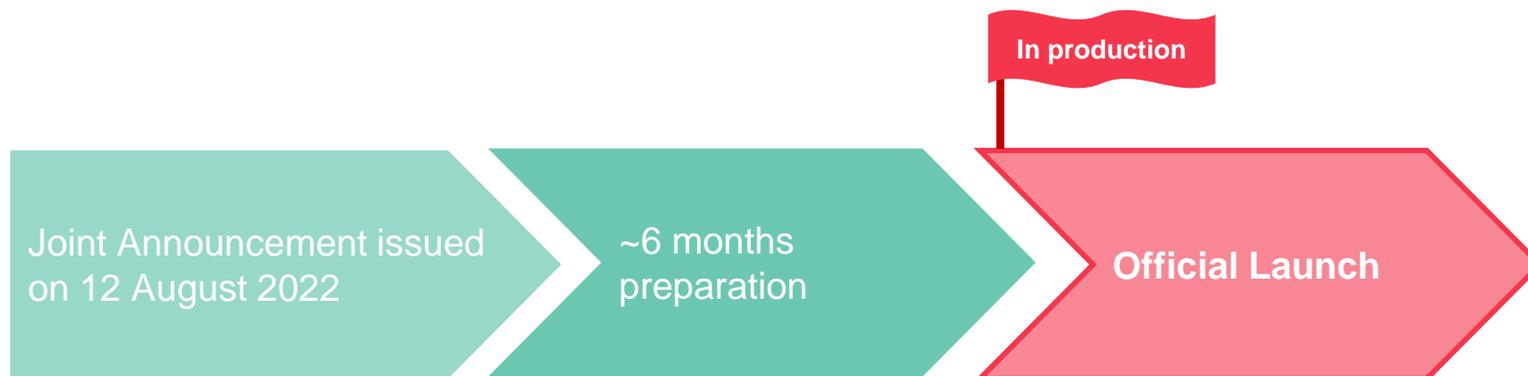


## 05 | Implementation



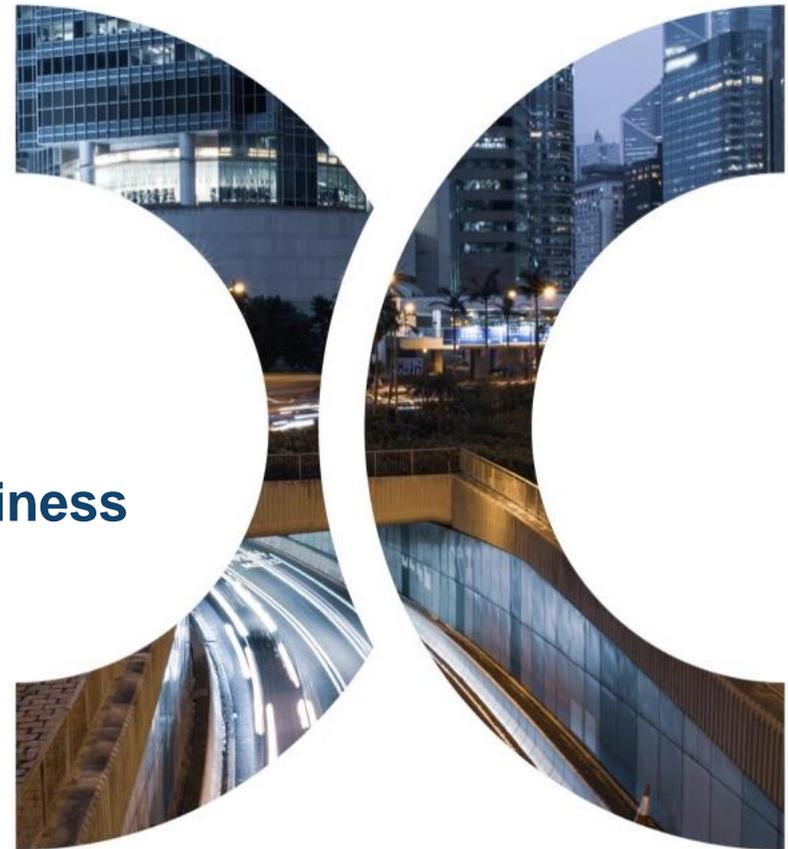
## 05 | Implementation

It is estimated that preparation time for implementing the adjustments will take six months. There will be no system change to OTP-CSC for the adjustments. All market participants should assess the impact of such adjustments to their operations and system. Subject to regulatory approval, the commencement date will be announced in due course.



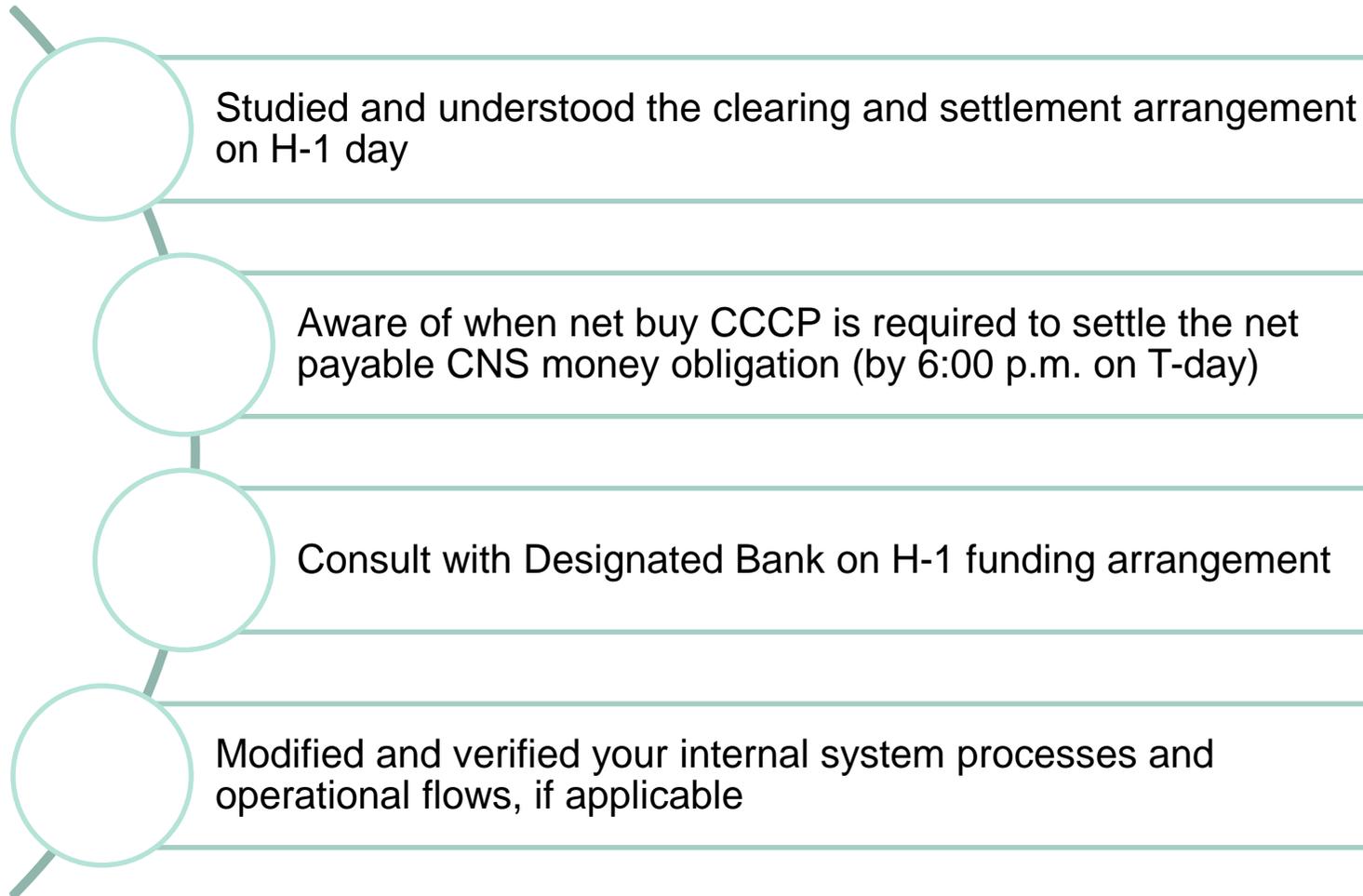
## 06 | Appendix

- **Checklist for CCCPs Readiness**
- **Checklist for DBs Readiness**
- **Checklist for CCEPs and TTEPs Readiness**



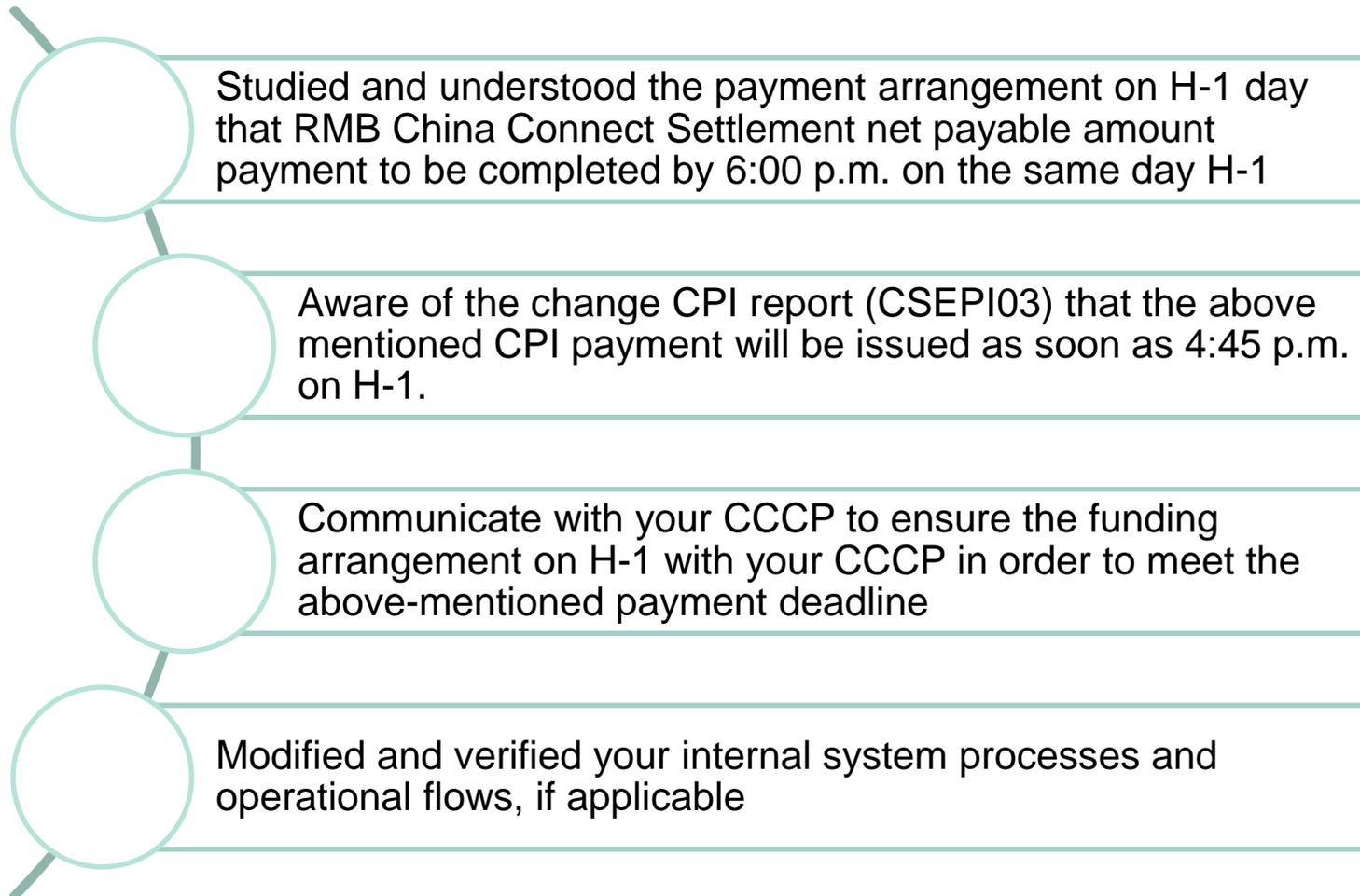
## 06 | Appendix

### – Checklist for CCCPs Readiness



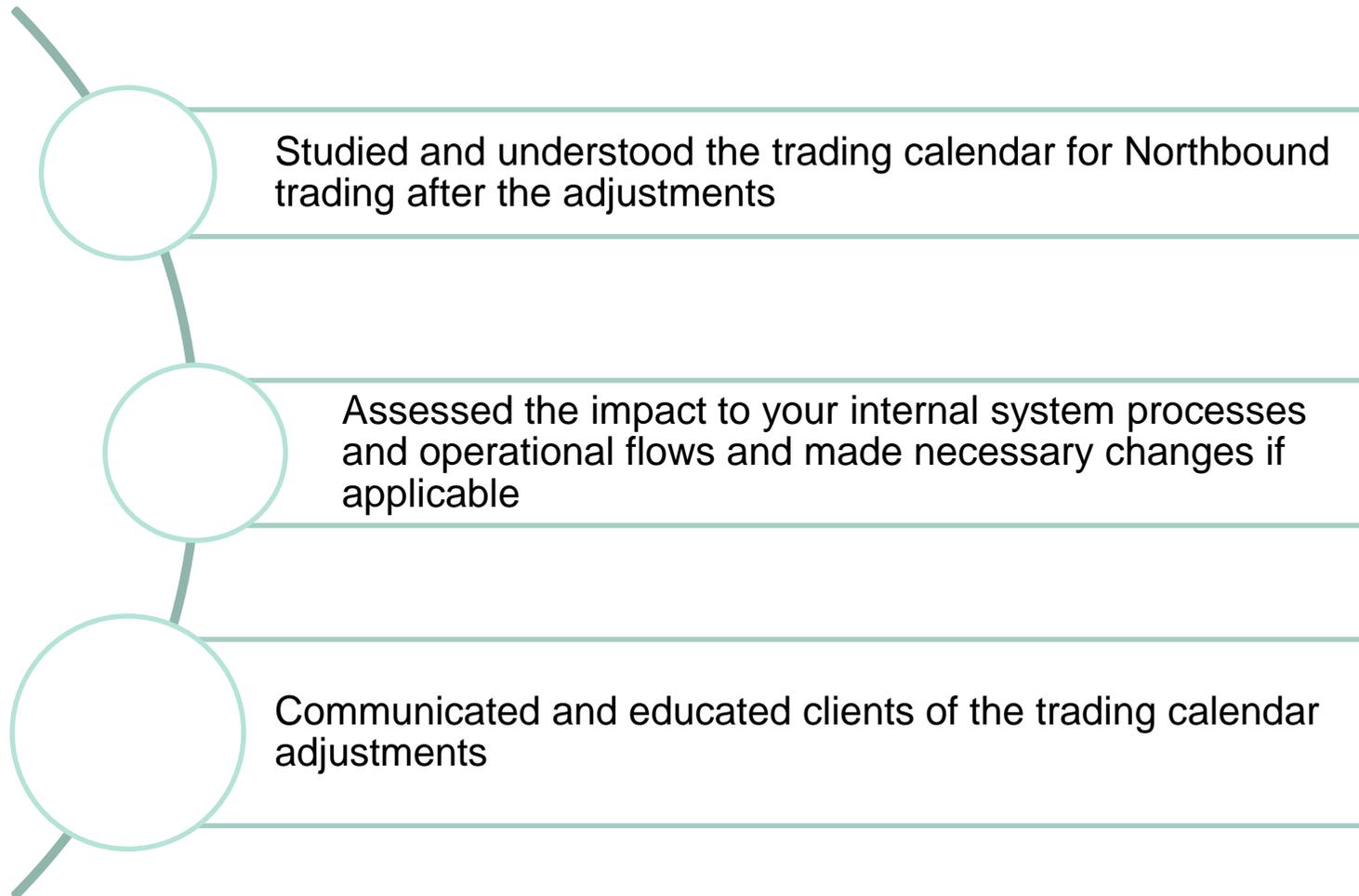
## 06 | Appendix

### – Checklist for DBs Readiness

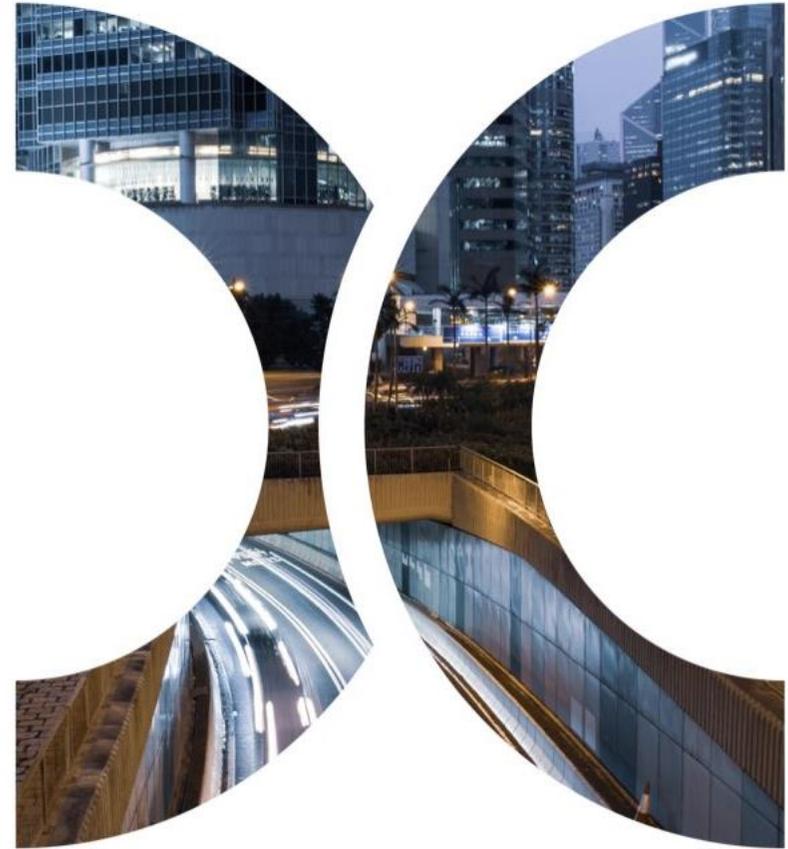


## 06 | Appendix

### – Checklist for CCEPs and TTEPs Readiness



# Q & A Session



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