

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: Launch of RDP Money Settlement and other CCASS Service Enhancements for China Connect Markets on 20 November 2017

Enquiry: China Connect Hotline at 2979-7123; E-mail: clg@hkex.com.hk

Reference is made to the circulars issued by HKSCC on 7 July 2017 (ref: [CD/CDCO/CCASS/015/2017](#)) and 26 September 2017 (ref: [CD/CDCO/CCASS/017/2017](#)). HKSCC will implement the following CCASS Service Enhancements for China Connect Markets on 20 November 2017:

1. Realtime Delivery versus Payment (RDP) money settlement in RMB, HKD and USD for Settlement Instructions (SIs) in China Connect Markets;
2. Further automation in cash prepayment service for China Connect Markets;
3. Further enhancement in Participant Shareholding Category Disclosure Exception Reports; and
4. Revise the display of A-Share Handling Fee in the "Statement of Money Ledger (CSEMS08)"

For Clearing Participants and Custodian Participants (collectively CPs) who want to use the new services under items 1 and 2, please be advised to liaise with your corresponding Designated Banks (DBs) and clients for the necessary business*, operational and system arrangements. Money settlement for the new services under items 1 and 2 will be performed via the CHATS systems operated by the Hong Kong Interbank Clearing Limited (HKICL). CPs can refer to the lists of DBs who provide CHATS services on HKEX website (List of [HKD](#), [USD](#) and [RMB](#) DBs).

* Participants can refer to Section 21 of the CCASS Operational Procedures for CCASS fee applicable to execute RDP SIs and cash prepayment and also HKICL Clearing Tariff schedules in RMB, HKD and USD for tariff charged by HKICL for effecting CHATS payment on [HKICL's website](#) (click on HKD/USD/RMB Clearing Tariff for the relevant tariff schedule on their members under 'CHATS' section).

A. Enhancement Details and Related Information

Participants can refer to the Attachment for details of the CCASS Service Enhancements. HKSCC has published the information packages with relevant report / file specifications and sample files on the HKEX website ([Please click here](#) for details). The revised CCASS General Rules and Operational Procedures to reflect the above enhancements will be published with a separate circular to CCASS Participants in due course. The following materials will also be updated on the HKEX website:

- CCASS Terminal User Guide (updated on launch date); and
- Information Book and Frequently Asked Questions for Investors and Market Participants (updated on 06 November 2017 and to be effective on 20 November 2017)

B. Migration Arrangement

To cater for system migration, CCASS services will be suspended on 18 November 2017 (Saturday). CCASS Participants should note that CCASS Reports as of 18 November 2017 will be available on 20 November 2017 (Monday) instead. Participants should inform their relevant IT support or BOS vendors about this arrangement for necessary preparation.

Hector Lau

Senior Vice President

Cash and Derivatives Clearing Operations

Details of CCASS Service Enhancements to be implemented on 20 November 2017

Enhancement Description		CCASS Terminal User Guide Section																																																			
1	<p>Introduction of RDP money settlement in RMB, HKD and USD for SIs in China Connect Markets (Applicable to CPs and DBs)</p> <p>a. The RDP money settlement for SIs in China Connect Markets rides on the same model as in HK Market. During a Batch-settlement-run (BSR) or upon the input of a Delivery Instruction (DI), CCASS will put on-hold the relevant securities in the relevant stock account of the delivering CP and issue a CHATS Payment Instruction (CPI) with Deal Code started with “M” to the DB of the receiving CP for money settlement. The DB of the receiving CP will have to instruct payment with payment code 11 to the DB of the delivering CP via the CHATS system operated by HKICL. Upon receipt of payment confirmation from HKICL, CCASS will effect the delivery of the relevant securities from the delivering CP to the receiving CP immediately.</p> <p>b. The CPI settlement window between HKSCC and HKICL will be extended to 19:45 for RMB and to 18:00 for HKD and USD to support this enhancement. BSRs for China Connect Markets will be re-arranged as follows:</p> <table border="1" data-bbox="87 1332 1324 1590"> <thead> <tr> <th colspan="7">Positions to be settled in each China Connect BSR (changes are underlined)</th> </tr> <tr> <th colspan="3">Start Time</th> <th><u>16:45 (new)</u></th> <th>17:30</th> <th>18:15</th> <th>19:00</th> <th>19:45</th> </tr> </thead> <tbody> <tr> <td rowspan="4">SI</td> <td rowspan="2">RDP</td> <td>in RMB¹</td> <td><u>Yes</u></td> <td><u>Yes</u></td> <td><u>Yes</u></td> <td><u>Yes</u></td> <td></td> </tr> <tr> <td>in HKD/USD²</td> <td><u>Yes</u></td> <td><u>Yes</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td>DVP³</td> <td>in RMB/HKD/USD</td> <td><u>Yes</u></td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>FOP⁴</td> <td></td> <td><u>Yes</u></td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td colspan="3">CNS</td> <td><u>Yes</u></td> <td>Yes</td> <td><u>Yes</u></td> <td>Yes</td> <td></td> </tr> </tbody> </table> <p>c. Settlement of SIs before the end of CNS settlement (i.e. 16:00 to 19:00) will be enhanced as follows:</p> <p>i. In addition to BSR, CPs can also use DIs to settle SIs during this period</p> <p>ii. In addition to effect SIs to delivered securities from SPSAs during this period, SIs from non-SPSA account will also be effected if the related delivering CP does not have any</p>	Positions to be settled in each China Connect BSR (changes are underlined)							Start Time			<u>16:45 (new)</u>	17:30	18:15	19:00	19:45	SI	RDP	in RMB ¹	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>		in HKD/USD ²	<u>Yes</u>	<u>Yes</u>				DVP ³	in RMB/HKD/USD	<u>Yes</u>	Yes	Yes	Yes	Yes	FOP ⁴		<u>Yes</u>	Yes	Yes	Yes	Yes	CNS			<u>Yes</u>	Yes	<u>Yes</u>	Yes		<p>For Participants 2/ 4.2/ 4.3/ 5.1/ 5.6a/ 6/ 7.2/ 8.1.1/ 8.1.6/ 8.1.7a/ 9.1.5/ 9.1.7</p> <p>For Designated Banks 2/ 4.2/ 4.3/ 6.2/ 7.12</p>
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CNS			<u>Yes</u>	Yes	<u>Yes</u>	Yes																																															

¹ To enable securities delivery through RDP SIs in RMB for CNS settlement by 19:00, CPs should take note that the SIs should be matched and there are sufficient shares for delivery by 18:15 and the CHATS payments be completed by 19:00. If a DB anticipates any problem in settling an RDP transaction in RMB by 19:00, the DB is suggested to contact the relevant CP and advise it to make alternative arrangement to settle the transaction by other money settlement methods.

² CPs and DBs should take note that the HKD and USD CHATS payments should be completed by the customer cut-off time currently at 18:00. Moreover, the USD CHATS transactions are subject to payment screening by HSBC Sanction Screening System (HSSS) before the start of settlement process. If a DB anticipates any problem in settling an RDP transaction in USD or HKD by 18:00, the DB is suggested to contact the relevant CP and advise it to make alternative arrangement to settle the transaction by RMB or other money settlement methods.

³ Delivery versus payment

⁴ Free of payment

Enhancement Description													CCASS Terminal User Guide Section
<p>outstanding CNS short position for that stock</p> <p>iii. Existing SI matching at 16:30 will be rescheduled to start at 16:45</p> <p>d. Transfer Runs for Stock Segregated Account Transfer Instructions (STIs) will be re-arranged as follows:</p>													
Accounts to be included in each STI Transfer Runs (changes are underlined)													
Start Time	08:00	09:15	10:00	12:45	15:30	17:00	17:30 #	<u>18:15</u> #	18:30	19:00 #	19:30	20:00	
Between Non-SPSA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	<u>Yes</u>	No	<u>Yes</u>	Yes	Yes	
Between SPSA	Yes	No	No	No	No	No	<u>Yes</u>	<u>Yes</u>	No	<u>Yes</u>	Yes	Yes	
From SPSA	Yes	No	No	No	No	No	Yes	<u>Yes</u>	<u>Yes</u>	Yes	Yes	Yes	
To SPSA	Yes	No	No	No	No	No	No	No	No	No	Yes	Yes	
<p># STI transfers from SPSAs will be processed before those between Non-SPSAs during STI Transfer Runs at 17:30, 18:15 and 19:00.</p> <p>e. The corresponding changes in reports are as follows:</p>													
For CPs:													
Report ID	Report Name	Generation time					Remark						
CSESI02	Intra-Day ISI / SI Full List	~12:00, ~14:00, ~15:15, ~16:45 , <u>~17:00</u> , ~17:15, ~17:45, ~18:30, ~19:15, ~20:00					Enhanced to capture relevant information for RDP SI						
CSESP04	Intra-Day Settled Position Report	<u>~17:15</u> , ~18:00, ~18:45, ~19:30											
CCLUS01	Unmatched SI Report	~12:00, ~14:00, ~15:15, ~16:45 , <u>~17:00</u> , ~17:15, ~17:45, ~18:30, ~19:15, ~20:00											
CSEMP04	CCASS Funding Projection Report (Night Settlement) for Participant	<u>~17:00</u> , ~17:45, ~18:30, ~19:15, ~20:00					Enhanced to capture the DVP SI, if any, included in the new BSR at 16:45						
CSEAT02	STI Activity Report	~08:00, ~09:15, ~10:00, ~12:45, ~15:30, ~17:00, ~17:30, <u>~18:15</u> , ~18:30 , ~19:00, ~19:30, ~20:00					Revised report generation time						

Enhancement Description				CCASS Terminal User Guide Section
For DBs:				
Report ID	Report Name	Generation time	Remark	
CSEPI03	Electronic CHATS Payment Instruction Report	~09:30, ~10:30, ~11:00, ~12:00, ~14:00, <u>~16:45</u> , <u>~17:30</u> , <u>~18:15</u> , <u>~19:00</u>	Payment deal code 'M' will be reserved for payment related to China Connect SI and DB should complete the payments as follows: <ul style="list-style-type: none"> by 18:00 for HKD and USD (CPIs in reports generated at around 16:45 and 17:30)⁵; by 19:00 for RMB⁶ (CPIs in reports generated at around 16:45, 17:30 and 18:15); and by 19:45 for RMB (CPIs in report generated at around 19:00) 	
CSEMP03	CCASS Funding Projection Report (Night Settlement) for Designated Bank	<u>~17:00</u> , ~17:45, ~18:30, ~19:15, ~20:00	Enhanced to capture the DVP SI, if any, included in the new BSR at 16:45	
CSEPI01	Payment Instruction Input Activity Report	Day-end	Enhanced to capture on-line activities performed for payment instructions with deal code "M"	
2	Further automation in cash prepayment service for China Connect Markets (Applicable to CPs and DBs)			For Participants
a.	The "Cash Prepayment Instruction Maintenance for China Connect Markets" will be enhanced to allow input of "CHATS" payment method from 16:00 to 17:30			2/ 4.3/ 6/ 7.2/ 8.1.9b/ 8.1.9c/ 9.1.7
b.	New CCASS Terminal function "Cash Prepayment Standing Instruction Maintenance for China Connect Markets" will be introduced:			For Designated
i.	CPs can give standing instructions to CCASS for generating recurring Cash			

⁵ For payment in USD, DBs should take into consideration the time required for sanction screening of USD CHATS payments by HSBC Sanction Screening System (HSSS).

⁶ To ensure shares will be delivered through RDP SIs on time for CNS settlement by 19:00

Enhancement Description	CCASS Terminal User Guide Section															
<p>Prepayment Instructions on behalf of them on each Settlement Day by covering their outstanding payment obligations so as to use the CNS allocated shares in China Connect Markets via “CHATS” or “OTHERS” payment method</p> <p>ii. The prepayment amounts can either be in gross or in net plus an add-on percentage</p> <p>iii. Cash Prepayment Standing Instructions authorised before 15:00 by CPs will take effect on the same day</p> <p>iv. Cash prepayment instruction will be generated automatically at around 16:00 based on the details maintained in the Cash Prepayment Standing Instruction for China Connect Markets</p> <p>c. The existing Payment Code “11” will be used for the payment instructions related to CHATS payment for cash prepayment for China Connect Markets and the Deal Code will be started with “N”</p> <p>d. Participant should note that similar to the arrangement for Hong Kong market, a Cash Prepayment service fee of HK\$100 per remittance will be charged on cash prepayment by “Others” payment method and no service fee will be charged on cash prepayment by “CHATS” payment method.</p> <p>e. The changes in reports for this enhancement are as follows:</p> <p>For CPs:</p> <table border="1"> <thead> <tr> <th>Report ID</th> <th>Report Name</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>CSECP03</td> <td>Cash Prepayment / TSF Payment / Intra-Day Payment Instruction Maintenance A/T Report</td> <td>A new section for Cash Prepayment Standing Instruction Maintenance Activity in China Connect Markets</td> </tr> <tr> <td>CSEPI01</td> <td>Payment Instruction Input Activity Report</td> <td>Enhanced to capture on-line activities performed for payment instructions with deal code “N”</td> </tr> </tbody> </table> <p>For DBs:</p> <table border="1"> <thead> <tr> <th>Report ID</th> <th>Report Name</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>CSEPI03</td> <td>Electronic CHATS Payment Instruction Report</td> <td>Payment deal code “N” will be reserved for payment related to cash prepayment for China Connect Securities and DB should complete these payments by 19:00</td> </tr> </tbody> </table>	Report ID	Report Name	Remark	CSECP03	Cash Prepayment / TSF Payment / Intra-Day Payment Instruction Maintenance A/T Report	A new section for Cash Prepayment Standing Instruction Maintenance Activity in China Connect Markets	CSEPI01	Payment Instruction Input Activity Report	Enhanced to capture on-line activities performed for payment instructions with deal code “N”	Report ID	Report Name	Remark	CSEPI03	Electronic CHATS Payment Instruction Report	Payment deal code “N” will be reserved for payment related to cash prepayment for China Connect Securities and DB should complete these payments by 19:00	<p>Banks 2/ 4.2/ 4.3/ 6.2/ 7.12</p>
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Enhancement Description		CCASS Terminal User Guide Section									
3	<p><i>Further enhancement in Participant Shareholding Category Disclosure Exception Report (Applicable to CPs)</i></p> <p>A new “Participant Shareholding Category Disclosure Exception Report – Before Voting Deadline” will be introduced and there are minor updates on the existing “Participant Shareholding Category Disclosure Exception Report”. Details as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Report ID</th> <th style="width: 45%;">Report Name</th> <th style="width: 40%;">Remark</th> </tr> </thead> <tbody> <tr> <td>CCNPT08</td> <td>Participant Shareholding Category Disclosure Exception Report – <u>On Voting Deadline</u></td> <td>Will be renamed and updated the field “Issue shares capital” to “The total number of A shares listed and traded on the SSE/SZSE”</td> </tr> <tr> <td><u>CCNPT09</u> (New report)</td> <td><u>Participant Shareholding Category Disclosure Exception Report – Before Voting Deadline</u></td> <td>Participant should refer to this report that is generated one day before the voting deadline, and if applicable, shall revise any Shareholding Category Disclosure instruction before the voting deadline</td> </tr> </tbody> </table>	Report ID	Report Name	Remark	CCNPT08	Participant Shareholding Category Disclosure Exception Report – <u>On Voting Deadline</u>	Will be renamed and updated the field “Issue shares capital” to “The total number of A shares listed and traded on the SSE/SZSE”	<u>CCNPT09</u> (New report)	<u>Participant Shareholding Category Disclosure Exception Report – Before Voting Deadline</u>	Participant should refer to this report that is generated one day before the voting deadline, and if applicable, shall revise any Shareholding Category Disclosure instruction before the voting deadline	<p>For Participants 2/ 4.2/ 4.3/ 8.2.14</p>
Report ID	Report Name	Remark									
CCNPT08	Participant Shareholding Category Disclosure Exception Report – <u>On Voting Deadline</u>	Will be renamed and updated the field “Issue shares capital” to “The total number of A shares listed and traded on the SSE/SZSE”									
<u>CCNPT09</u> (New report)	<u>Participant Shareholding Category Disclosure Exception Report – Before Voting Deadline</u>	Participant should refer to this report that is generated one day before the voting deadline, and if applicable, shall revise any Shareholding Category Disclosure instruction before the voting deadline									
4	<p><i>Revise the display of A-Share Handling Fee in the “Statement of Money Ledger (CSEMS08)” (Applicable to CPs)</i></p> <p>Currently, A-Share Handling Fee in the “Statement of Money Ledger (CSEMS08)” is split into two entries, represented by transaction types of “X3” for 60% and “X8” for 40% of the Handling Fee respectively. After the enhancement, 100% of the Handling Fee will be shown as one entry under transaction type “X3” and transaction type “X8” will be obsolete</p>	<p>For Participants 4.3</p>									