

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: NGRM Familiarisation Programme Phase 2 and Webinar Briefing on Next Generation Risk Models

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Next Generation Risk Management (NGRM) Familiarisation Programme Phase 1 commenced in January 2021 enabling Clearing Participants (CPs) to retrieve their margin reports via Report Access Platform (RAP) on a daily basis. Hong Kong Securities Clearing Company (HKSCC) is pleased to announce that the Familiarisation Programme Phase 2 will commence in August. Default Fund¹ (DF) Contribution analysis reports for the month of May and June 2021 based on CPs' actual portfolios will be available for retrieval via RAP from 9 August 2021. Reports for subsequent months will be further distributed in September 2021 tentatively. Please refer to the updated [Familiarisation Programme Information Package](#) for more details.

To facilitate CPs to study the DF Contribution analysis reports, HKSCC will host two webinar briefings in August 2021 focusing on DF sizing and allocation mechanism under Next Generation Risk Models. CPs should register for the briefings via the Event section in [Client Connect](#) **on or before 2 August 2021**. Details of the briefings are as follows:

Date	Mode of Briefing	Time	Language
4 August 2021 (Wednesday)	Webinar video conferencing*	17:00-18:00	English
5 August 2021 (Thursday)			Cantonese

**Maximum 2 attendees per CP, confirmation email together with the webinar login information will be sent to those who have successfully registered.*

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

CPs are also advised to note the following updates to the Familiarisation Programme:

- (i) The one-off Initial Margin analysis report will be available in RAP for retrieval from 9 August 2021. CPs who have yet to download the reports are advised to do so as soon as practicable.
- (ii) A new folder - “RPF folder” will be available for CPs to add to their own RAP. Such folder will be used to download the Risk Parameter Files (RPF) for margin and stress testing calculation after NGRM official launch. Due to the file size of the RPF, CPs should assess and evaluate the need to upgrade their existing SDNet before subscribing for the new RPF folder. Interested CPs should submit the RAP Registration and Maintenance Form via Technical Setup section in [Client Connect](#) (eService: TechS 8) from 9 August 2021. Please refer to section 7 of the updated [RAP Technical Guide](#) for details.

CPs should note that during the Familiarisation Programme, the NGRM is not in commercial operation and should not be used in any commercial context or form. As such, the NGRM 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 should not rely on the NGRM 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 NGRM 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。