

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: Official Launch of VaR Platform - Reminder
Enquiry: Email: NG_PostTrade@hkex.com.hk / Hotline: VaR Platform : 2211-6828

Reference is made to the circular dated 25 May 2022 (Reference: [CD/CDCRM/142/2022](#)). Hong Kong Securities Clearing Company Limited (HKSCC) will officially launch the VaR Platform on **13 June 2022 (Monday)**, and the new risk model (i.e. Value-at-Risk model) will become effective, on the same day.

Clearing Participants (CPs) should have attended the [Official Launch webinars](#) and preparing for the official launch, including final verification of their operational flow upon VaR Platform launch and funding arrangement procedures under the new risk model. CPs are reminded to note the following key tasks upon the official launch of VaR Platform and make all necessary arrangements where appropriate.

(1) Cutover Connectivity Test on 12 June 2022 (Sunday)

CPs should continue to access CCASS and VaR Platform (i.e. Report Access Platform (RAP) and/or VAR Online, if applicable) by using their existing connectivity configuration. In case CPs would like to conduct a final connectivity verification, a cutover connectivity test will be available from 12:00 noon to 13:00 on 12 June 2022 (Sunday) for such purpose. Interested CPs should register for the connectivity test via Event section in [Client Connect](#) on or before 10 June 2022 (Friday).

(2) One-Off Transitional Arrangement from 13 to 15 June 2022 (Monday to Wednesday)

There will be a one-off transitional arrangement from 13 to 15 June 2022 for HKSCC to collect the deficit / release the surplus of margin and Default Fund (DF) between the new risk model and the existing flat-rate model.

(a) On 13 June 2022, HKSCC will calculate the margin difference between the new risk model and the existing flat-rate model and collect any deficit from relevant CPs together with the daily intra-day Marks by 14:00. CPs should refer to CCASS report – Posting /

Collateralisation Result Report (CCMPY01) which will be available at around 11:45 for the actual intra-day Marks and margin amount (if any) to be paid by 14:00.

- (b) On 14 June 2022, HKSCC will conduct an ad hoc DF review and inform all CPs of their new DF contribution calculated based on the new risk model. CPs should refer to the new CCASS report - Statement of Default Fund Contributions (CCMDF02) available at around 12:00 noon for any deficit to be paid / surplus to be received.
- (c) On 15 June 2022, CPs have to pay the above-mentioned DF contribution deficit (if any) by 17:45.

Please refer to Attachment 1 for the above-mentioned one-off transitional arrangement.

(3) Settlement of Daily Payment Obligations from 13 June Onwards

Please refer to the “Reminder on Payment Obligations of Clearing Participants – Official Launch of VaR Platform” issued on 6 June 2022 (Reference: [CD/CDCRM/158/2022](#)) for daily payment obligations to HKSCC. CPs should prepare sufficient funding for settlement (if required) on time.

CPs should note that failure to settle any payment obligations on time, including those for one-off transitional arrangement as mentioned in (2) above, will constitute an event of default and HKSCC may take default actions against the concerned CPs if it is considered appropriate.

The “VaR Platform Official Launch Information Package” is now available on [HKEX website](#). CPs should read through such information package and make all necessary arrangements to ensure proper operational procedures and technical support are available during the cutover weekend and after the official launch of VaR Platform.

Starting from 13 June 2022, CCASS Hotline will cover enquiries in relation to HKSCC Post Trade functions including that of VaR Platform, while VaR Platform Hotline will be retired from 4 July 2022.

Remark: CPs should note that prior to the VaR Platform official launch, the VaR Platform is not in commercial operation and should not be used in any commercial context or form. As such, the VaR Platform and any output that can be obtained from such platform including without limitation the new set of reports are, prior to the VaR Platform official launch, provided for familiarisation purposes only. CPs therefore should not rely on the VaR Platform 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 VaR Platform and the new risk models.

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。

Attachment 1

**One-Off Transitional Arrangement (from Flat-Rate Model to New Risk Model)
upon Official Launch of VaR Platform**

A. 13 June 2022 (Monday) – One-off Margin Call	
11:45	Download CCASS report “Posting / Collateralisation Result Report” (CCMPY01) for the payment obligation of Marks and margin (if any)
11:45 to 14:00	Prepare relevant funding and ensure the payment obligation of Marks and margin can be settled <u>by 14:00</u>
B. 14 June 2022 (Tuesday) – One-off Default Fund Review	
12:00 noon	Download CCASS report “Statement of Default Fund Contributions” (CCMDF02) for the payment obligation of Default Fund contribution
C. 15 June 2022 (Wednesday) – One-off Default Fund Call	
Before 17:45	Prepare funding and ensure the payment obligation of Default Fund contribution can be settled <u>by 17:45</u>