

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: **UPCOMING LAUNCH OF THE HKD-RMB DUAL COUNTER MODEL ELIGIBLE FOR MARKET MAKING IN HONG KONG SECURITIES MARKET**

Enquiry: **CCASS Hotline<sup>1</sup> (Tel : 2979 7111 E-mail : [clearingps@hkex.com.hk](mailto:clearingps@hkex.com.hk))**

**Tentative Launch Date: 19 June 2023**

Reference is made to the HKSCC circular (Ref: [CD/OES/CCASS/045/2022](#)) dated 13 December 2022 on the HKD-RMB Dual Counter Model ("Dual Counter Model") eligible for market making in Hong Kong securities market and the circular of The Stock Exchange of Hong Kong Limited ("SEHK") of today regarding the launch of the Dual Counter Model tentatively scheduled on 19 June 2023 (Monday), subject to market readiness.

### **Clearing, Settlement and Depository Arrangements relating to Dual Counter Securities ("DCS")**

Clearing, settlement and depository arrangements relating to DCS will largely follow existing arrangements. Please refer to the HKSCC circular (Ref: [LSD/034/2023](#)) of the same date in relation to the relevant amendments to the General Rules of CCASS and CCASS Operational Procedures ("CCASS Rules").

CPs are also requested to note the following key differences:

#### **1. Clearing and Settlement of DCS**

Same as other CCASS Eligible Securities, DCS will be cleared inside CCASS and settled on T+2 under Continuous Net Settlement ("CNS") system unless they are isolated from the CNS system by both trading counterparties or by HKSCC and settled on a trade-for-trade basis.

<sup>1</sup> All calls to and from the Participant General Enquiry Hotline may be recorded. HKEX Privacy Policy Statement is available [here](#).

Exchange Trades executed under the respective counters will be cleared and settled in CCASS as two individual stocks. After netting under the CNS system, there will be one CNS stock position for the HKD counter and one CNS stock position for the RMB counter. There is no inter-counter position netting. CPs should ensure sufficient quantities are available in their stock accounts to settle their CNS short positions on T+2 under respective counters.

## 2. Inter-counter Transfer of DCS

In order to trigger the inter-counter transfer, CPs can make use of:

- Multi-counter Transfer Instruction (“MCTI”) via online maintenance or batch upload; and/or
- Intra-day Counter Transfer Instruction (“ICI”) via online maintenance or standing instruction

CPs should refer to the “CCASS Terminal User Guide – For Participants” available at “CCASS Enhancements” under “What’s on” on [Client Connect](#) for details of MCTI and ICI. CPs are highly recommended to consult their internal IT support units or system vendors for necessary preparation before the launch date if they have not done so.

## 3. Depository Services in relation to DCS

Under the Dual Counter Model, as the RMB counter is offered for secondary market trading and settlement purposes only, CPs cannot physically deposit into or withdraw from CCASS certificates of CCASS Eligible Securities which are DCS under the stock code of the secondary counter.

## 4. CCASS Fees and Charges

The multi-counter eligible securities transfer fee of HK\$5 per instruction currently in effect will be abolished upon the launch of the Dual Counter Model.

The new optional ICI service will be free of charge.

## Risk and Control Preparation for Dual Counter Model

CPs are advised to review the status of their liquidity and designated settlement account to ensure their infrastructures are in place to support settlement in RMB, including:

- (1) to consider the availability of contingent RMB liquidity to settle for client if they accept client orders without sufficient upfront RMB cash;
- (2) to consider the need to extend the current credit facilities to cover RMB or whether the current RMB credit facilities are sufficient; and

- (3) for CPs who rarely settle in RMB in the past (e.g. non-China Connect Clearing Participants), to ensure the RMB bank account designated to settle their settlement obligations against HKSCC is not dormant.

### **Update of the Frequently Asked Questions (“FAQ”)**

The FAQ has been updated at the [web corner](#) of HKEX website and will be updated from time to time to reflect the latest development. Other relevant information regarding the Dual Counter Model can also be found in the web corner.

CPs are also strongly encouraged to participate in the practice sessions arranged by HKSCC to ensure their readiness to handle inter-counter transfer process upon the launch of the Dual Counter Model. Two practice sessions (on 27 May 2023 and 3 June 2023, both Saturdays) have been arranged and CPs should register for participation on or before 23 May 2023 (Tuesday) and 1 June 2023 (Thursday) respectively. Please refer to the circulars (Ref: [CD/OES/CCASS/020/2023](#)) for relevant information about the practice sessions.

Please send any enquiries on trading arrangements to [trd@hkex.com.hk](mailto:trd@hkex.com.hk) and enquiries on clearing and settlement arrangements to [clearingps@hkex.com.hk](mailto:clearingps@hkex.com.hk).

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