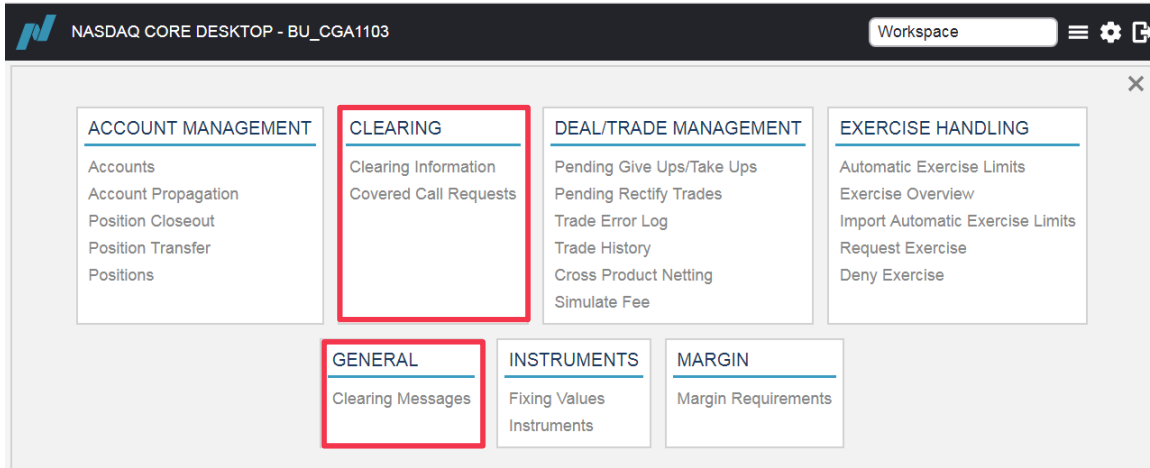


## 5 Clearing and General

The “Clearing” category allows users to access the “Clearing Information” and “Covered Call Requests” views; while “Clearing Messages” can be access under “General” category.



### 5.1 Clearing Information View

The “Clearing Information” view displays the deliveries information relating to clearing events and transactions of a particular day or period, up to 6 clearing days. Clearing information can be retrieved by specifying the “Account”, “Instrument” and “Clearing Date” to filter the searching results. A maximum of 60 000 records can be shown per retrieval<sup>1</sup>.

The screenshot shows the Clearing Information view with the following filters: Account: HK CGA1, Instrument: (empty), Delivery instrument: (empty), Clearing date: 5/23/18, Settlement class: (empty), Events: (empty). The table displays 20 rows of data.

ACCOUNT	INSTRUMENT	EVENT	CLASS	EVENT QTY	DELIVERY QTY	DELIVERY INSTRUMENT	CLEARING DATE	EVENT ID	EVENT ORIG	DELIVERY ACCOUNT	KEY NBR	ORIGINATOR TYPE	CONTR SIZE
HK CGA1 P	HEX250.00G8	Trade	Settlement	30	15,000.00	HKD	5/23/18	4454	16573	HK CGA1 P1	1	Normal	100
HK CGA1 P	HEX250.00G8	Trade	Fee 1	30	-30.00	HKD	5/23/18	4454	16573	HK CGA1 P1	2	Normal	100
HK CGA1 P	HEX250.00G8	Trade	Settlement	30	-15,000.00	HKD	5/23/18	4455	16574	HK CGA1 P1	1	Normal	100
HK CGA1 P	HEX250.00G8	Trade	Fee 1	30	-30.00	HKD	5/23/18	4455	16574	HK CGA1 P1	2	Normal	100
HK CGA1 A	HEX200.00E8	Trade	Settlement	30	15,000.00	HKD	5/23/18	4456	16575	HK CGA1 A1	1	Normal	100
HK CGA1 A	HEX200.00E8	Trade	Fee 1	30	-30.00	HKD	5/23/18	4456	16575	HK CGA1 A1	2	Normal	100
HK CGA1 A	HEX200.00E8	Trade	Settlement	30	-15,000.00	HKD	5/23/18	4457	16576	HK CGA1 A1	1	Normal	100
HK CGA1 A	HEX200.00E8	Trade	Fee 1	30	-30.00	HKD	5/23/18	4457	16576	HK CGA1 A1	2	Normal	100

<sup>1</sup> Clearing Participants are recommended to use selection filters to narrow down search results shown in the data table.

**List Columns**

<b>Field</b>	<b>Description</b>
Account	Display the account of a particular transaction/event
Instrument	Display the instrument of a particular transaction/event
Event	Display the type of transaction/event: Trade, Trade rectify, Position transfer, Exercise, Closing, Assignment, Manual, Market value calculation, Mark-to-market, Rounding
Class	Display the class of a particular delivery: Fee 1 - 6, Settlement, Variation Margin etc. <i>(Refer to table below for the description of applicable classes)</i>
Event Qty	Display the quantity of a particular transaction/event: <i>For example, a trade buying 10 lots of HSI futures will generate three delivery records (Fees 1, 4 &amp; 5, i.e. Trading Fee, SFC Levy and Compensation Fund Levy). The Event Qty of all these records will be set as "10".</i>
Delivery Qty	Display the quantity to be delivered for a particular transaction / event: <i>For example, if Trading Fee for the above-mentioned buy trade is \$100, the Delivery Qty for Fee 1 will be displayed as "100".</i>
Delivery Instrument	Display the instrument to be delivered for a particular transaction / event: <i>For example, HKD indicates that the delivery quantity is in Hong Kong Dollars, whereas HEXSP refers as physical delivery of HKEX stocks.</i>
Clearing Date	Display the date on which the transaction being cleared.
Event ID	Display the unique number assigned to each event per Instrument.
Delivery Account	Display the account relating to the deliveries
Event Orig	If the delivery is generated related to a trade, respective trade number will be displayed. <i>For example, if the trade number of a sell trade of a SEOCH put options is "98765", the premium payable generated from this trade will have an "Event Orig" = "98765".</i>
Key Nbr	Key number will be assigned for events with more than one delivery. <i>For example, a trade on HKCC products will generate trading fees (Fee 1) as well as an "SFC Levy" (Fee 4) and "Compensation Fund Levy" (Fee 5). As a result, "Key Nbr", 1 to 3, will be assigned to these three deliveries respectively.</i>

Field	Description
Originator Type	Display Originator Type: Normal or Reversing – Due to a give up trade or rectify trade. To reverse the deliveries of the original trades.
Contr Size	Display the number of underlyings in a contract.

**Note:**

The following fields are not applicable to DCASS, Clearing Participants are recommended to set them as “hidden” columns:

B/S	Delivery Properties	Delivery State	Delivery Type	Deliv Unit
DVP Account	Ext Fee type	ISIN	Member Ref	Original Clearing Date
Orig Event ID	Orig Key Nbr	Settlement Date*	Settlement inst date	

\* To check the actual settlement date, user should refer to the relevant CCMS and CCASS reports. Clearing Information should be retrieved based on Clearing Date rather than Settlement Date.

The “Settlement class” and “Events” selection fields enables users to filter the clearing information to be displayed for particular clearing event(s).

The screenshot shows the 'Clearing Information' interface. At the top, there are fields for 'Account' (HK CGA1 \*) and 'Instrument'. Below these are 'Settlement class' and 'Events' dropdown menus. The 'Events' dropdown is open, displaying a list of options: Delivery vs. Payment, Delivery vs. Payment Cover, Fair value, Fee 1, Fee 2, Fee 3, Fee 4, Fee 5, Fee 6, Fee 7, Fee 8, Fee 9, New Contract, Other quantity, Other quantity Cover, Rebate, Rounding, Settlement, Tax, and Variation Margin.

The screenshot shows the 'Clearing Information' interface with a different dropdown menu open. The 'Settlement class' dropdown is open, displaying a list of options: Assignment, Closing, Closing trade, Delivery balance, and Delivery flow.

**Settlement Class Information:**

Class	Description
Delivery vs. Payment Cover	To display the delivery amount of a covered short position delivery after assignment.
Fee 1	Exchange Trading Fee for ordinary accounts.

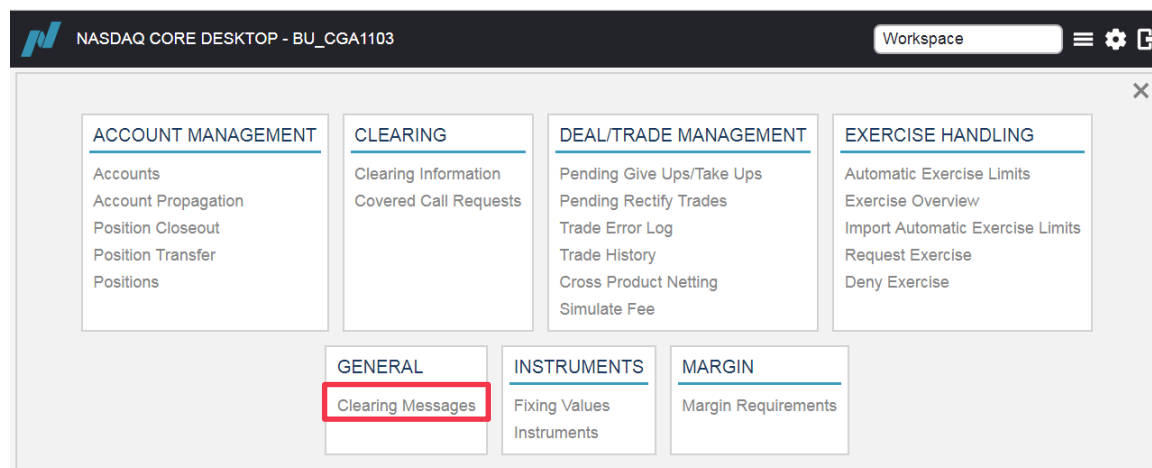
<b>Class</b>	<b>Description</b>
Fee 2	Exchange Trading Fee for Market Maker accounts in this market.
Fee 3	Exchange Trading Fee for Market Maker in other market.
Fee 4	SFC Levy
Fee 5	Compensation Fund Levy
Fee 6	Clearing Service Fee (e.g. Exercise Fee (with Event=Exercise), Assignment Fee (with Event=Assignment) and Cash Settlement Fee (with Event=Closing))
Other quantity Cover	Like “Delivery vs. Payment Cover”, it is the corresponding cash receivable.
Settlement	Cash settlement. It can be cash settlement generated by the exercise and assignment process (if the “Event” is “Exercise” or “Assignment”) or the premium payable or receivable by Clearing Participants from a SEOCH options trade (if the Event is “Trade”).
Variation Margin	Variation Adjustment from Mark to Market calculation. It may be related to a new trade on that day (with an “Event Origin” number for reference to the original trade) or related to an overnight position on the instrument (with a blank “Event Origin” number).

*Note : The following Classes and Events are NOT applicable to DCASS.*

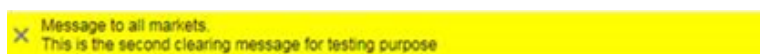
<b>Class</b>	<b>Event</b>
<i>Delivery vs. Payment</i>	<i>Closing trade</i>
<i>Fair Value</i>	<i>Delivery balance</i>
<i>Fee 7</i>	<i>Delivery flow</i>
<i>Fee 8</i>	<i>Dividend</i>
<i>Fee 9</i>	<i>Dvp settled</i>
<i>New Contract</i>	<i>Give up</i>
<i>Other quantity</i>	<i>Mem fee entrance</i>
<i>Rebate</i>	<i>Mem fee periodic</i>
<i>Rounding</i>	<i>New contract trade</i>
<i>Tax</i>	<i>Principal exchange</i>
	<i>Rebate</i>
	<i>Settle accrued</i>
	<i>Supervision</i>

## 5.2 Clearing Messages

The “Clearing Messages” view under the “General” category for enquiry of Clearing Messages distributed by the Clearing House. Clearing Participants should access this view regularly for timely information.



When a clearing message is received, an alert message will be shown at the bottom of the screen as follows:



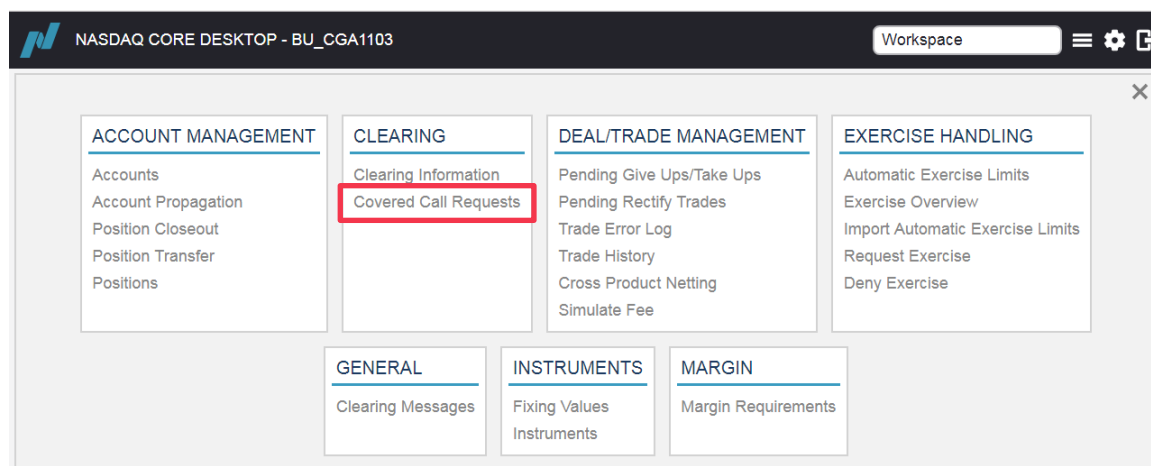
### Notes:

- Clearing Participants should check the “Clearing Messages” view upon login to DCASS Online to ensure that they receive all the important messages from the Clearing Houses (e.g. margin call).

## 5.3 Covered Call

*Note: This function is only applicable for SEOCH call options.*

Clearing Participants can make a covered call request from DCASS Online to cover a short call position using underlying held in the CCMS (Common Collateral Management System).



A user can issue a covered call request to increase or decrease (with negative “Request” quantity) the total coverage.

DCASS will validate and accept the request provided that:

- The instruments selected are eligible for covered call request. Only SEOCH call options are eligible.
- The request is initiated before SEOCH Batch starts.
- No other pending covered call request exists on the same account for the same underlying.
- The quantity of underlying shares for coverage is a multiple of the contract size of the instrument excluding any potential fractional shares in the case of capital adjustments.
- The resulting covered short position must be less than or equal to the available short position.

**Notes:**

- 1) *This view only shows cover or decover information on the current business date.*
- 2) *“Req. State” will be marked as “Delivered” for auto decovering after assignment.*
- 3) *“Req. State” will be marked as “Completed” for auto decovering on expiration date.*

### 5.3.1 Submitting a Covered Call Request

*Note: This function is only applicable for SEOCH call options.*

1. Click <Create>
2. Specify an account in the “Account” field
3. Specify the instrument in the “Instrument” field
4. In the “Request” field, enter the request quantity (number of shares) in multiples of the contract size of the underlying. *Decovering a short call position is done in the same way by specifying a negative quantity, i.e. -100. The number should be smaller or equal to the current covered quantity for the position.*

*Note: As an alternative to steps 1-4, SEOCH Participants can input covered call request by right-clicking a position from the “Positions” view and select Covered call request from the menu to open up the “Covered Call Requests” view.*

5. Click <Create> and the “Covered Call Requests” view will be updated with the request state as either “Pending”, “Rejected” or “Completed”.

ACCOUNT	INSTRUMENT	REQ. QTY	REQ. STATE	CREATED	MODIFIED
HK CGA1 P1	HEX250.00G8	100	Pending	5/23/2018 2:25:36 PM	5/23/2018 2:25:36 PM

6. If the status of the request is “Completed”, the “Cov. Qty” field in the “Position” view will be updated accordingly.
7. To decover a short call position, submit a new covered call request with a negative quantity, i.e. (-100). The number should be less or equal to the current covered quantity for the position. The “Cov. Qty” quantity will be subtracted accordingly.

Notes:

- a) The <Cancel Request> button is not applicable, i.e. Covered Call Requests cannot be cancelled from DCASS.
- b) After submission, the “Req. State” will display as “Pending”. However, it should be updated to either “Rejected” or “Completed” within a minute after DCASS communicates with CCMS. In case the request is “Pending” for more than a minute, please report it to DCASS Operations Hotline at 2979 7222.