

Terminal Operations

FUNCTION NAME: ISI MAINTENANCE

WHEN TO USE:

- To maintain details of Investor Settlement Instructions (ISIs) to record settlement transactions between CCASS Participants and Investor Participants ('IP'). Purpose of ISI can be classified as investor-intermediary, new stock borrowing/lending, return/recall of borrowed stock, stock pledging and portfolio movement.

AVAILABLE MAINTENANCE FUNCTIONS:

- A. Input ISI
To input details of ISIs.
- B. Change ISI
To change the details of a pending or an unaffirmed ISI entered by the participant if required.
- C. Delete ISI
To delete an ISI only if it is pending or unaffirmed.
- D. Authorise Pending ISI
To authorise pending ISIs.
- E. Enquire ISI
To enquire on the details and current status of ISIs.

AVAILABLE FUNCTION TIME:

- For Input ISI, Change ISI, Delete ISI and Authorise Pending ISI, there will be two sessions.
 - First session : 8:00 am to 3:45 pm.
 - Second session : commences after Final Batch Settlement Run at approximately 5:00 pm (to be announced by a broadcast message) and closes at 7:00 pm.
- For Enquire ISI function, the available function time is between 8:00 am to 7:00 pm.

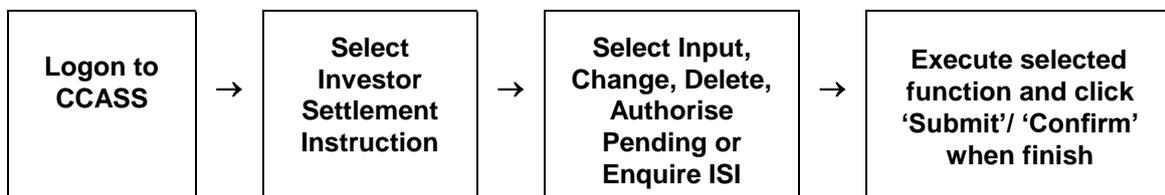
FUNCTIONAL DESCRIPTIONS:

- ISIs input by CCASS participants:
 - (i) ISI (Without Affirmation), ISI input which meets the following criteria does not require affirmation by the IP counterparty:
 - (a) it is a delivery instruction;
 - (b) it is set as settled on a Free of Payment (FOP) basis; and
 - (c) the receiving IP counterparty is maintained in the ISI (Without Affirmation) Counterparty List (please see Section 8.1.4a for details)

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- (ii) ISI (With Affirmation), ISI input which does not meet the criteria for ISI (Without Affirmation) listed above and requires affirmation by the IP counterparty before the ISI is accepted by CCASS for settlement.
- CCASS Participants may adopt 'DVP On-Hold' mechanism when inputting a delivering ISI, that is, the shares of the ISI will be put on-hold in the stock account of the IP upon settlement until the corresponding payment is confirmed good by designated bank on the following bank day. The mechanism will be available only when the designated bank of the IP provides confirmation of EPI service and with the consent of the IP. For adoption of the mechanism, CCASS Participants have to set the 'DVP On-Hold Required' indicator of the relevant ISI to 'Yes'. The indicator will be read out or displayed during affirmation for IP to confirm.
 - Transaction limit checking is applied no matter the ISI is at the pending or unaffirmed status. If the input value or market value of the stock of an ISI to be added / changed is within the input transaction limit of the authorised user, the change takes effect immediately and the changed ISI will have an 'Unaffirmed' status. If the input value or market value of the stock of an ISI to be added / changed exceeds the input transaction limit of the authorised user, the ISI created / changed will have a 'Pending' status. Pending ISIs are required to be authorised through AUTHORISE PENDING ISI function before it can be changed to 'Unaffirmed' status. If the input value or market value of the stock of the ISI to be deleted exceeds the input transaction limit of the authorised user, no deletion is allowed.
 - After successful input of ISI (Without Affirmation) or affirmation by IP for ISI (With Affirmation) and with the "Hold before Settlement" indicator set to "no", a settlement position will be created for the ISI. If there are sufficient shares in the settlement account of the delivering participant and the ISI is due for settlement, then the ISI (Without Affirmation) will be 'Settled' directly, while the status of the ISI (With Affirmation) will be changed from 'Unaffirmed' to 'Settled'. Otherwise, the status will be updated to 'Pending for Settlement'.
 - Multiple ISIs update is available for Delete ISI and Authorize Pending ISI functions.
 - CCASS Participant, be it a deliverer or receiver, may choose to hold an ISI from settlement or release an ISI for settlement through the setting of "Hold before Settlement" indicator. Participant can set such indicator during creation of ISI via Input ISI. For subsequent updating, participant can change the indicator for ISIs at "pending" or "unaffirmed" status via Change ISI function. For ISI in "pending for settlement" status, participants should change the indicator via "Hold/Release ISI" function (please see 8.1.3a for details).

The access path for ISI maintenance function is:



ISI MAINTENANCE – Sample Screen:

The screenshot displays the 'Input Investor Settlement Instruction Detail' form within a web application. On the left is a vertical navigation menu with various options like 'General Enquiries', 'Enq Settlement Act / Status', and 'Delivery Instruction (DI)'. The main area contains the following fields and controls:

- ISI Input Number :** 000002914
- Input Date :** (empty)
- Instruction Type :** Radio buttons for DELIVER and RECEIVE.
- Counterparty :** Text input field.
- Settlement Date :** Text input field.
- ISIN or Stock Code :** Text input field with an 'Enquire Stock List' link.
- Quantity :** Text input field with value 0.
- Settlement Account :** Text input field with value 1 and 'CLEARING A/C' label.
- Payment Instruction :** Radio buttons for DVP, FOP, and RDP.
- Money Value :** Text input field with value 0.00.
- Client Account Number :** Text input field.
- Client Name :** Text input field.
- Purpose of ISI :** Dropdown menu with 'BLANK' selected.
- DI Required :** Radio buttons for YES and NO (NO is selected).
- Internal Transaction Reference :** Text input field.
- DVP On-Hold Required :** Radio buttons for YES and NO (NO is selected).
- Hold Before Settlement :** Radio buttons for YES and NO (NO is selected).
- Remarks :** Text input field.

At the bottom right, there are 'Submit' and 'Refresh' buttons. In the top right corner, the text 'B0090102 ISIA 01 17-May-07 18:51' is displayed.

DESCRIPTION OF FIELDS:

<u>Field</u>	<u>Description/Format</u>
ISI INPUT NUMBER	<ul style="list-style-type: none"> - display the unique reference number assigned by CCASS when the ISI is created. - the ISI input number assigned by CCASS is the unique reference number for both counterparties. - no entry is required. - suffix '#' displayed via Enquiry ISI indicate that it is an ISI (Without Affirmation)
INSTRUCTION TYPE	<ul style="list-style-type: none"> - select either a delivering or receiving instruction for input ISI. - in the prompt screen, select 'Deliver' or 'Receive' for ISI instruction type as one of the selection criteria; select 'All' if not used as a selection criterion. - 'Deliver' ISI is not allowed if the settlement account number input is greater than 20 (i.e. SSA with Statement Service) and its Affirmation Requirement is set to 'Yes' (i.e. require affirmation by the SSA Statement Recipient).
COUNTERPARTY	<ul style="list-style-type: none"> - the ID of the counterparty (must be an IP). - a valid 6-numeric code (e.g. 021355).

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<u>Field</u>	<u>Description/Format</u>
SETTLEMENT DATE	<ul style="list-style-type: none"> - due date for settlement of the ISI with the counterparty. - CCASS accepts settlement dates up to ten calendar days before or after the INPUT DATE. - settlement date must be earlier than the delisted date of the stock. - settlement date must be on or after the clearing admission date of the stock. - valid date (DDMMYY) must be in one of the following formats: '21MAY98', '210598', '21-05-98' or '21/05/98'.
ISIN OR STOCK CODE	<ul style="list-style-type: none"> - can obtain the ISIN or stock code from the hyperlink of 'Enquire Stock List'. - must not be a delisted stock. - CCASS overlooks leading zero(s); i.e. '17', '017' and '0017' are treated as the same.
MARKET	<ul style="list-style-type: none"> - display the market code of the stock.
QUANTITY	<ul style="list-style-type: none"> - the number of shares transacted. - either one of the following formats is accepted by CCASS: '2000' or '2,000'. - negative sign will be automatically added if it is a delivering instruction.
SETTLEMENT ACCOUNT	<ul style="list-style-type: none"> - display the code and name of the account used to settle the outstanding position. - for Input ISI function, system defaults to '1', the <i>Clearing Account</i>, as the settlement account. - '1' for the <i>Clearing Account</i>; '2' for <i>Segregated Account 1 (=Entitlement Account)</i>; '3', '4', ... for other segregated accounts. - CCASS overlooks leading zero(s); i.e. '21', '021' and '0021' are treated as the same. - the settlement account number input must not be a TSF Account '17' or '18'.
PAYMENT INSTRUCTION	<ul style="list-style-type: none"> - input or display the payment method; 'DVP' for delivery versus payment, 'FOP' for free of payment or 'RDP' for realtime DVP.
MONEY VALUE	<ul style="list-style-type: none"> - for Input ISI function, CCASS defaults to zero '0'. - money value should be input if the payment instruction is DVP or RDP. - leave as zero '0' if the payment instruction is FOP. - record in the trading currency of the stock, e.g. for HK\$ 1,400 for a stock traded in HKD, either enter '1,400' or '1400'. - two decimal places are accepted if required.

<u>Field</u>	<u>Description/Format</u>
CLIENT ACCOUNT NUMBER	<ul style="list-style-type: none"> - participant's internal client account number. - not more than 15 characters in length. - optional field. - display the client account number input non-IP participant or by counterparty (IP) for ISI (without affirmation) created by IP counterparty.
CLIENT NAME	<ul style="list-style-type: none"> - name of participant's client. - not more than 15 characters in length. - optional field.
PURPOSE OF ISI	<ul style="list-style-type: none"> - for non-stock pledgee participants to select the purpose of the ISI. - optional field. - only one of the following purpose can be selected <ul style="list-style-type: none"> 'I - Investor- Intermediary' 'L -New Borrowing / Lending' 'P - Stock Pledging' 'M - Portfolio Movement' 'R - Return / Recall' - leave 'Blank' if not specified. - Display as 'Stock Pledging' if the input participant is a stock pledgee. Change is not allowed. - for ISI (without affirmation) input by Investor Participant, the purpose of ISI is defaulted as "M" for "Portfolio Movement.
DI REQUIRED	<ul style="list-style-type: none"> - if instruction type is 'Deliver', indicate whether a Delivery Instruction (DI) is required for settlement. - "Yes" for settling the ISI by Input DI function. "No" to settle ISI upon input (if all settlement criteria being fulfilled) or via batch settlement run. - 'No' must be selected for receiving instruction. - CCASS defaults to 'No'. - mandatory field.
INTERNAL TRANSACTION REFERENCE	<ul style="list-style-type: none"> - for participant to input an internal transaction reference, if desired. - not more than 10 characters in length. - optional field.

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<u>Field</u>	<u>Description/Format</u>
DVP ON-HOLD REQUIRED	<ul style="list-style-type: none"> - if instruction type is 'Deliver' and payment instruction is 'DVP' (delivering versus payment), participant can indicate whether to hold shares until payment is confirmed. Select 'Yes' for putting the shares on-hold and 'No' for not putting the shares on-hold. - for other types of ISIs, 'No' must be selected and change is not allowed. - must be 'No' if the designated bank of the IP does not provide confirmation of EPI service. Change is also not allowed. - CCASS defaults to 'No'. - mandatory field.
HOLD BEFORE SETTLEMENT	<ul style="list-style-type: none"> - select "Yes" or "No" to indicate whether to hold the ISI from settlement. - if "Hold before Settlement" is set as "Yes", the ISI cannot be settled by inputting "DI" nor via batch settlement run. CCASS Participant should change the indicator to "No" to release the ISI for settlement via 'Hold/Release ISI' function. - CCASS defaults to "No". - mandatory field.
REMARKS	<ul style="list-style-type: none"> - for participant to add any additional remarks for the ISI, if desired. - any text should be less than 80 characters in length. - optional field.
INPUT DATE	<ul style="list-style-type: none"> - display the date the ISI is created. - automatically given by CCASS in the confirmation screen once the 'Submit' button is pressed. - no entry is required.
STATUS	<ul style="list-style-type: none"> - display the status of the ISI.
SETTLEMENT POSITION NUMBER	<ul style="list-style-type: none"> - display the settlement position number. A unique settlement position number is automatically generated by CCASS once the IP (counterparty) successfully affirmed the ISI (with affirmation) or the ISI (without affirmation) is successfully inputted. - this field is empty if the ISI is unaffirmed.
SYSTEM REFERENCE NUMBER	<ul style="list-style-type: none"> - display the reference number assigned by CCASS for successful affirmation by IP.
AFFIRMED DATE	<ul style="list-style-type: none"> - display the date the IP (counterparty) affirmed the ISI. - this field is empty if the ISI is unaffirmed.
LAST UPDATE BY	<ul style="list-style-type: none"> - display the ID of the user who most recently updated (e.g. input, changed, authorised, or affirmed) this ISI. If the last update is ISI affirmation, counterparty's user ID will be displayed.

<u>Field</u>	<u>Description/Format</u>
LAST UPDATE DATE	- display the date of the most recent update (e.g. input, change, authorisation, or affirmation) of the ISI.
LAST UPDATE TIME	- display the time of the most recent update (e.g. input, change, authorisation, or affirmation) of the ISI.