

Terminal Operations

FUNCTION NAME: CASH PREPAYMENT INSTRUCTION MAINTENANCE

WHEN TO USE:

- Clearing Participants which have outstanding payment obligation to HKSCC wish to utilise any or all of the securities-on-hold for settlement may pay same day available funds to HKSCC to reduce their monetary obligations. Upon receipt of same day available funds from Clearing Participants as cash prepayment, CNS allocated shares would be released.
- In reference to buy-in shares, HKSCC will normally execute compulsory buy-in for any outstanding CNS short positions on T+3. Besides, HKSCC will execute early buy-in for Clearing Participants. Upon receipt of buy-in shares from authorised brokers, such buy-in shares will be released to CNS short Clearing Participants on T+5 if cash prepayment is received by HKSCC in terms of same day available funds.
- Such notification of cash prepayment can be made known to HKSCC by means of inputting cash prepayment instructions.

AVAILABLE MAINTENANCE FUNCTIONS:

- A. Add Cash Prepayment Instruction
To add a cash prepayment instruction.
- B. Change Cash Prepayment Instruction
To change the details of a pending cash prepayment instruction entered by the Clearing Participant if any error is found.
- C. Delete Cash Prepayment Instruction
To delete a cash prepayment instruction only when the cash prepayment instruction is pending.
- D. Authorise Cash Prepayment Instruction
To authorise pending Cash Prepayment Instruction(s).
- E. Revoke Cash Prepayment Instruction
To revoke (or cancel) a Cash Prepayment Instruction only when it is at 'unmatched' status.
- F. Enquire Cash Prepayment Instruction
To enquire on the details and current status of cash prepayment instructions.

AVAILABLE FUNCTION TIME:

- For Add, Change, Delete, Authorise, and Revoke Cash Prepayment Instruction, the available function time is between 8:00 am and 2:30 pm. on each settlement day
- For Enquire Cash Prepayment Instruction, the available function time is between 8:00 am to 7:00 pm. on each settlement day

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Cash Prepayment Instruction Maintenance

FUNCTIONAL DESCRIPTIONS:

- Clearing Participants can choose to pay cash prepayment by two different methods:
 1. 'CHATS' : to instruct HKSCC to generate CHATS payment instruction (CPIs) on the Clearing Participants' behalves for the input cash prepayment amount.

Please note input of cash prepayment instruction with payment method set as "CHATS" will be ended at 2:00 p.m., ***your designated bank should complete the payment with reference to the Electronic CHATS Payment Report provided by CCASS, on or before 3:30 p.m.***

2. 'OTHERS': to arrange payment for the cash prepayment instruction with the Clearing Participants' designated banks separately.

After input of cash prepayment instructions with payment method set as "OTHERS", Clearing Participants are reminded to instruct their designated banks to remit fund into HKSCC's bank account. Input of cash prepayment instruction with payment method set as "OTHERS" will be ended at 2:30 p.m.

- Transaction limit checking is applied to the Add, Change, Delete, Authorise and Revoke Cash Prepayment Instruction functions.
 - ◆ If the input payment amount of a cash prepayment instruction exceeds the input transaction limit of the authorised user, the cash prepayment instruction created / to be changed will be in 'Pending' status. Pending cash prepayment instructions are required to be authorised through Authorise Cash Prepayment Instruction function before it can be updated to 'Unmatched' status (for payment method set as 'OTHERS') or 'Matched' status (for payment method set as 'CHATS').
 - ◆ If the input payment amount of a cash prepayment instruction falls within the input transaction limit of the authorised user, the cash prepayment instruction created / to be updated will have an 'Unmatched' status (for payment method set as 'OTHERS') or 'Matched' status (for payment method set as 'CHATS').
 - ◆ If the payment amount of the cash prepayment instruction to be deleted is within the transaction limit of the authorised user, the deletion takes effect immediately and the deleted cash prepayment instruction will have a 'Deleted' status.
 - ◆ If the payment amount of the cash prepayment instruction to be authorised is within the transaction limit of the authorised user, the authorisation takes effect immediately and the authorised cash prepayment instruction will have an 'Unmatched' status (for payment method set as 'OTHERS') or 'Matched' status (for payment method set as 'CHATS').
 - ◆ If the payment amount of the cash prepayment instruction to be revoked (The instruction can only be revoked for payment method set as 'OTHERS'. For payment method set as 'CHATS', the instruction cannot be revoked) is within the transaction limit of the authorised user, the revocation takes effect immediately and the revoked cash prepayment instruction will have a 'Revoked' status.
 - ◆ If the payment amount of the cash prepayment instruction to be deleted / authorised / revoked exceeds the transaction limit of the authorised user, the deletion / authorisation / revocation is rejected.
 - ◆ If the input payment amount is in foreign currency, it will be converted into HKD equivalent for comparison with the transaction limit.
- For those instruction with payment method set as 'OTHERS', cash prepayment instruction status will be changed from 'Unmatched' to 'Matched' by HKSCC upon confirmation of same

day available funds is remitted to HKSCC from the appointed bank as specified in the cash prepayment instruction.

- Upon authorisation by HKSCC, matched cash prepayment instruction will be changed from 'Matched' to 'Credited' status. CNS allocated shares/buy-in shares would be released.
- Cash prepayment instruction details can only be changed if the instruction has not been authorised and the cash prepayment instruction is in 'Pending' status. Details of cash prepayment instruction in 'Unmatched' status cannot be changed with Change Cash Prepayment Instruction function.
- Only pending cash prepayment instructions can be cancelled by the Delete Cash Prepayment Instruction function.
- Only pending cash prepayment instructions can be authorised by the Authorise Cash Prepayment Instruction function.
- Only cash prepayment instructions in 'Unmatched' status can be cancelled by the Revoke Cash Prepayment Instruction function.

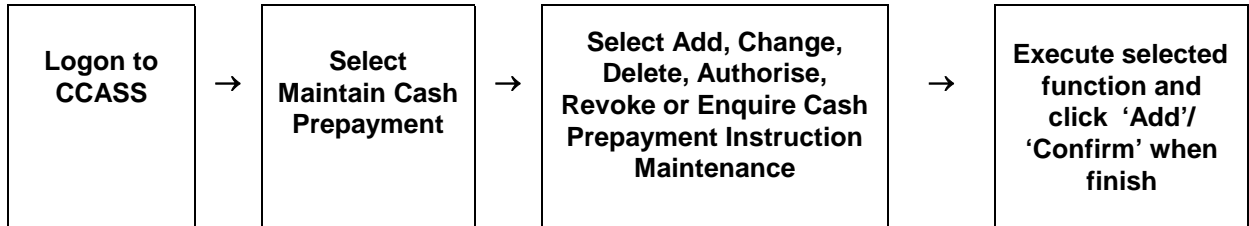
- If the input payment amount exceeds the transaction limit of the user, an acceptance message, **RECORD CAPTURED PENDING AUTHORIZATION. INSUFFICIENT TRANSACTION LIMIT**, appears in the message area. The added cash prepayment instruction is in 'Pending' status.
- If the input payment amount is within the transaction limit of the user, an acceptance message, **-2003 RECORD ADDED SUCCESSFULLY**, appears in the message area. The cash prepayment instruction will be updated to 'Unmatched' status (for payment method set as 'OTHERS') or 'Matched' status (for payment method set as 'CHATS').
- If the authorised user has insufficient input transaction limit to change details of the cash prepayment instruction, an acceptance message, **RECORD CHANGED PENDING AUTHORIZATION. INSUFFICIENT TRANSACTION LIMIT**, appears in the message area. The changed cash prepayment instruction will remain in 'Pending' status.
- If the authorised user has sufficient input transaction limit to change details of the cash prepayment instruction, an acceptance message, **RECORD CHANGED SUCCESSFULLY. AUTHORIZATION IS NOT REQUIRED**, appears in the message area. The changed cash prepayment instruction will be updated to 'Unmatched' status (for payment method set as 'OTHERS') or 'Matched' status (for payment method set as 'CHATS').
- If the authorised user has insufficient input transaction limit to delete the cash prepayment instruction, an error message, **TRANSACTION LIMIT EXCEEDED**, appears in the message area. To delete the cash prepayment instruction requires an authorised user with a transaction limit greater than the payment amount of the cash prepayment instruction.
- If the authorised user has sufficient input transaction limit to delete details of the cash prepayment instruction, an acceptance message, **PENDING RECORD DELETED SUCCESSFULLY**, appears in the message area.
- If the authorised user has insufficient transaction limit to authorise/revoke the cash prepayment instruction, an error message, **TRANSACTION LIMIT EXCEEDED**, appears in the message area. The authorisation / revocation is rejected by CCASS.

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Cash Prepayment Instruction Maintenance

- If an authorised cash prepayment standing instruction is found for the Clearing Participant, a warning message “**Please note that you have already maintained a standing instruction to instruct HKSCC to generate cash prepayment instruction(s) based on your pre-set criteria. To proceed, click <Confirm> button.**” will be displayed at the confirmation screen of ADD, CHANGE and AUTHORISE functions.
- Clearing Participants can also enquire those cash prepayment instructions generated by CCASS based on the authorised Cash Prepayment Standing Instruction maintained.

The access path for Cash Prepayment Instruction Maintenance function is:



CASH PREPAYMENT INSTRUCTION MAINTENANCE – Sample Screen:

General Enquiries	Maintain Cash Prepayment	Site Map	Broadcast Message	Report Download	HK000001
Eng Settlement Act / Status		Announcement Information	Change Password	Print	SCPA 01
Delivery Instruction (DI)				Logout	06-Dec-05 11:39
A/C Transfer Instr (ATI)					
Settlement Instruction (SI)	Add Cash Prepayment Instruction Detail				
Hide Unmatched SI Content Cpty List	Prepayment Instruction Number:	M00000290			
Investor Strm Instr (ISI)	Value Date:	08-OCT-04			
ISI (With Affirm) Cpty List	Purpose:	<input type="radio"/> RELEASE ALLOCATED SHARES <input type="radio"/> RELEASE BUY-IN SHARES			
ISI (W/O Affirm) Cpty List	Payment Method:	<input type="radio"/> CHATS - You DO NOT NEED to make payment instruction to your bank			
Payment Instruction		<input type="radio"/> OTHERS - You NEED to make payment instruction to your bank directly			
Cash Prepayment	Beneficiary Bank :	BLANK			
Stock Borrowing / Lending	Currency :	BLANK			
SBL Bulletin Board	Payment Amount :	0.00			
Login Withdrawal Order	Status:				
Election Instruction					
Subscription Instruction					
Corp Voting Instruction					
EIPO Application					
Tender Instruction					
Maintain Unit Order - Creation					
Maintain Unit Order - Redemption					
Maintain Scrip Fee Memo Adjustment					
Corp Communication					
Upload Batch File					
Maintain Collateral Account					
Mtn Cash Collateral Deposit					

[Help](#)

DESCRIPTION OF FIELDS:

<u>Field</u>	<u>Description/Format</u>
PREPAYMENT INSTRUCTION NUMBER	<ul style="list-style-type: none"> - display the unique reference number assigned by CCASS when the cash prepayment instruction is created. - no entry is required.
VALUE DATE	<ul style="list-style-type: none"> - display the value date of the cash prepayment instruction created. - CCASS defaults to current CCASS date. - automatically assigned by CCASS. No entry is required.
PURPOSE	<ul style="list-style-type: none"> - select the purpose of cash prepayment instruction from the pull down menu. - mandatory field. - either 'Release Allocated Shares' or 'Release Buy-in Shares' can be selected.
PAYMENT METHOD	<ul style="list-style-type: none"> - select the payment method for the cash prepayment from radio buttons: - mandatory field - 'CHATS' - to instruct HKSCC to generate CPIs on the Clearing Participants behalf for the specified cash prepayment amount <ul style="list-style-type: none"> - instruction will be updated to 'Matched' status upon input (and authorised, if required) - 'OTHERS' - to arrange payment with the designated banks to remit fund into HKSCC's specific bank account separately by the Clearing Participants. <ul style="list-style-type: none"> - instruction will be updated to 'Unmatched' status upon input (and authorised, if required)
BENEFICIARY BANK	<ul style="list-style-type: none"> - select the beneficiary bank for the cash prepayment instruction from the pull down menu. - mandatory field. - '003' for Standard Chartered Bank - '004' for HSBC - '012' for Bank of China - '035' for Wing Hang Bank - '072' for ICBC (Asia)
CURRENCY	<ul style="list-style-type: none"> - select the currency for the payment amount of the cash prepayment instruction (must be a CCASS eligible trading currency) from the pull down menu. - mandatory field.
PAYMENT AMOUNT	<ul style="list-style-type: none"> - type the payment amount for the cash prepayment instruction. - CCASS defaults to zero '0.00'. - two decimal places are accepted if required.

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Cash Prepayment Instruction Maintenance

<u>Field</u>	<u>Description/Format</u>
STATUS	<ul style="list-style-type: none">- identify the status of the cash prepayment instruction.- if payment amount exceeds the transaction limit of the user, a newly added cash prepayment instruction will be at 'Pending' status. If payment amount is within the transaction limit of the user, a newly added cash prepayment instruction will be at 'Unmatched' status.- no entry is required.- 'Delete' status if payment instruction is successfully deleted.- 'Revoked' status if payment instruction is successfully revoked (For payment method set as 'OTHERS' only. For payment method set as 'CHATS', the instruction cannot be revoked).- 'Matched' status<ul style="list-style-type: none">- if payment instruction with payment method set as 'CHATS' is successfully added (and authorised, if required).- if payment instruction with payment method set as 'CHATS' but the generated CPIs fail.- if payment instruction with payment method set as 'Others' is confirmed receipt by HKSCC.- 'Credited' status if payment instruction is authorised by HKSCC & allocated shares are released.- select the status of the cash prepayment instruction from the pull down menu in the prompt screen.