



Project FINI Updates and User Registration

HKAB Webinar

FINI Project Team

December 2022

HKEX
香港交易所

Disclaimer

The information contained in this presentation is for general informational purposes only and does not constitute an offer, solicitation, invitation or recommendation to subscribe for or buy or sell any securities or other products or to provide any investment advice or service of any kind. This presentation is not directed at, and is not intended for distribution to or use by, any person in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Hong Kong Exchanges and Clearing Limited or The Stock Exchange of Hong Kong Limited (“SEHK”) (together, the “Entities”, each an “Entity”), or any of their affiliates, or any of the companies that they operate, to any registration requirement within such jurisdiction or country.

No content in this presentation may be regarded as creating any obligation on the part of any of the Entities. Rights and obligations with regard to the listing, trading, clearing and settlement of any securities effected on SEHK shall depend solely on the applicable rules of SEHK and the relevant clearing house, as well as the applicable laws, rules and regulations of Hong Kong.

Although the information contained in this presentation is obtained or compiled from sources believed to be reliable, neither of the Entities guarantees the accuracy, validity, timeliness or completeness of the information or data for any particular purpose, and the Entities and the companies that they operate shall not accept any responsibility for, or be liable for, errors, omissions or other inaccuracies in the information or for the consequences thereof. The information set out in this presentation is provided on an “as is” and “as available” basis and may be amended or changed. It is not a substitute for professional advice which takes account of your specific circumstances and nothing in this presentation constitutes legal advice. Neither of the Entities shall be responsible or liable for any loss or damage, directly or indirectly, arising from the use of or reliance upon any information provided in this presentation.



Agenda

From mid-2023, all new listings on SEHK will begin using the new **FINI** platform.

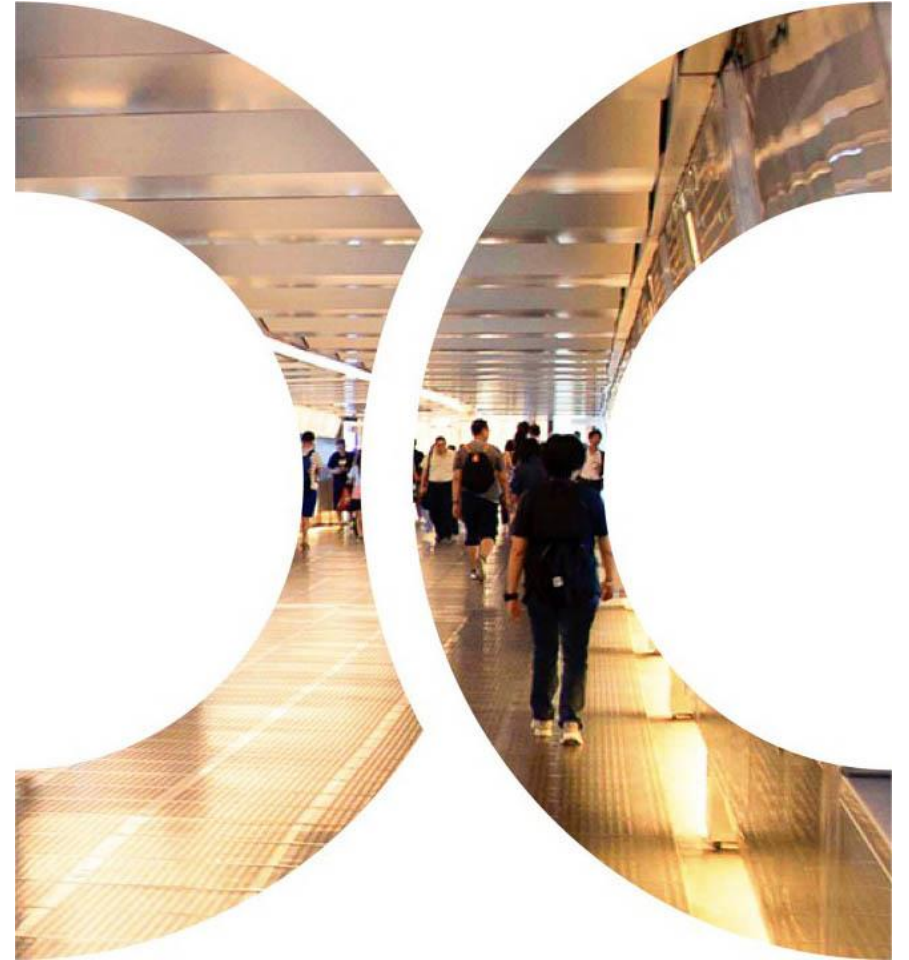
User Registration for FINI has started on 8 Nov 2022.

This webinar is for Designated Banks who are involved in IPO settlement process, to help them get ready for the launch of FINI.

- 01** | **Timeline to Launch**
- 02** | **How to Get Ready**
- 03** | **SWIFT Implementation**
- 04** | **User Guide**
- 05** | **Contacts & Support**



01 | Timeline to Launch



01 | Timeline to launch

HKEX plans to launch FINI around **June 2023 (TBC)** , subject to market readiness and regulatory approval



* The actual launch date will be announced 2-3 months in advance.

01 | Key Activities from Now to Launch

Registration

8 November 2022 –
17 February 2023

- Register online for FINI access
 - *Required for all FINI Banks*
- Sign and accept FINI T&Cs*

* A FINI user must sign and accept the FINI Terms & Conditions (T&Cs) before they can be granted access to both the test and production sites

Testing Setup

25 November 2022 –
31 March 2023

- Register for external testing
- Set up VPN connectivity*
- Create test user accounts**

* A Virtual Private Network (VPN) is required for accessing FINI's test site

** For FINI's testing environment

User Testing

Q1 – Q2 2023

- Complete interface testing on SWIFT
 - *Set Up Testing Nominee Accounts (HKD/CNY/USD)*
 - *SWIFT RMA & CUG Configurations (for HKSCC's testing BIC)*
- Test FINI platform functions
- Create FINI user accounts*
- Attend market rehearsals

* For FINI's production environment



02 | How to Get Ready

- FINI Registration Guide
- Testing & Familiarisation
- Legal & Regulatory



02a | FINI Registration Guide

- A [FINI Registration Guide](#) is available on the FINI webpage
- Contains step-by-step walk-through and FAQs
- Group entities (e.g. ABC Bank / ABC Securities Ltd.) should register each company for FINI separately*
- Your company will receive an email during the registration process to accept the [FINI Terms & Conditions](#)



** After registration, a single user account may still be set up across the different group entities.*

02a | User Management (Con'd)

Following successful registration, access to HKEX's production environment will be enabled for your company's Delegated Administrators (DAs) in **January 2023**.



**Delegated
Administrators**



**Business
Users**

Created / managed by

HKEX Administrators

Your company's DAs

Functional access

HKEX Access Management Portal

FINI Platform

Functional rights


**Create / manage own company's
business users**

**Perform own company's
corresponding IPO roles**

A HKEX Access Management User Guide has been published on 25 November 2022

02b | Testing Setup

- A Virtual Private Network (VPN) connection is required to access FINI's test environment to access UI functions
- HKEX will support both Client-to-Site VPN and Site-to-Site VPN connectivity, at your company's election
- A VPN Connectivity Guide and Testing Registration form has been published on **25 November 2022**
- Recommended to complete VPN setup by **31 March 2023** to prepare for final phase of formal testing





The image shows the cover of the 'FINI VPN Connectivity Guide' published on 25 November 2022. The cover features a long-exposure photograph of a highway at night with light trails from cars. The HKEX logo is in the bottom right corner.

FINI VPN Connectivity Guide
25 November 2022


HKEX
香港交易所

▼

Client-to-Site VPN	Site-to-Site VPN
 Client-to-Site VPN Recommended for <u>easy setup</u>	 Site-to-Site VPN Recommended for <u>advanced setup</u> (dedicated network support team required)
<ul style="list-style-type: none">▪ Use provided client application for connecting to FINI's testing environment VPN▪ Each FINI user company limited to <u>4 user accounts</u> *	<ul style="list-style-type: none">▪ Use own corporate VPN site for connecting to FINI's testing environment VPN▪ No limit to user accounts per FINI user company

02b | Familiarisation

- Market participants must be familiar with the T+2 settlement timetable, FINI workflows & user interfaces
- The **FINI Information Pack** continues to be updated with FAQs on all aspects of the FINI workflow for all users
- HKEX has published the following User Guides on **25 November 2022**
 - Access Management
 - HKSCC Participants
 - FINI Banks
 - Sponsors, Intermediaries and Legal Advisers



FINI
Modernising Hong Kong's
IPO Settlement Process

FINI (Fast Interface for New Issuance) is a new platform being developed by HKEX that enables professional IPO market participants and regulatory authorities to interact seamlessly and digitally on the many important steps that comprise the end-to-end settlement process for new listings in Hong Kong.

By modernising both the logic and the infrastructure of the Hong Kong IPO settlement process, HKEX expects that the introduction of FINI will shorten the time gap between IPO pricing and trading. This will give investors quicker access to new listings, reduce market risk and improve efficiency for all parties involved. This reform will benefit all of Hong Kong by making our IPO market more efficient, robust and equipped for a digital future, whilst maintaining and extending Hong Kong's global leadership as a competitive listing venue.

The formal on-boarding process has begun. Market participants are advised to read the following documents carefully, then submit the Online FINI Registration Form (if applicable) to HKSCC:

- [Online FINI Registration Form](#)
- [FINI Registration Guide \(8 November 2022\)](#)
- [FINI Terms and Conditions \(8 November 2022\)](#)

On-boarded market participants may submit an End User Testing Application Form to register interest for accessing FINI testing environment in Q1 2023. A dedicated VPN connection is required for accessing FINI's test environment to operate UI and API functions:

- [FINI Testing Information Pack \(25 November 2022\)](#)
- [Online FINI Testing Registration Form](#)
- [FINI VPN Connectivity Guide \(25 November 2022\)](#)
- [API Simulator \(25 November 2022\)](#)

Market participants may also use the following links to access different sections of the FINI User Guide:

- [FINI Access Management User Guide \(25 November 2022\)](#)
- [FINI User Guide for HKSCC Participants \(25 November 2022\)](#)
- [FINI User Guide for FINI Banks \(25 November 2022\)](#)
- [FINI User Guide for Sponsors, Intermediaries and Legal Advisers \(25 November 2022\)](#)

HKEX warmly welcomes market participants to reach out for any enquiries by contacting projectfini@hkex.com.hk or +852 2211 5888.

NOTE: If an LC or RI intends to offer EIPO subscription services to a client and wishes to use the client's BCAN as a client identifier when submitting the subscription to HKSCC, it must first obtain the client's consent as per SFC's requirement. Further information on the relevant consent requirements can be found in SEHK's [circular](#) and HKSCC's [circular](#) dated 26 November 2021.

02c | Legal and Regulatory (1/2)

Mandatory nature of FINI

- FINI will be the platform for processing of all future Hong Kong IPOs
- Use of FINI will be mandatory
- Avoid confusion for investors and issuers, and duplication of costs

Shortened settlement period

Digitalised streamlined workflows

- “T+2” IPO settlement enabled due to streamlined workflows comprising the settlement process on FINI
- Rules will set out the submissions to be made on FINI
- FINI will remain operational despite the issuance of *Bad Weather Signals*



02c | Legal and Regulatory (2/2)

FINI Terms & Conditions : Bank User Supplement (Highlights)

DB Nominee Account

- Setup Nominee Account(s) for EIPO pre-funding lock-up, and send out confirmation on pre-funding status to FINI before cut-off time
- Enter into appropriate arrangement with its Designating CPs for the operation of the DB Nominee Account

Money Settlement

- Procure that HKSCC is authorized to cause credits and debits to be made to the DB Nominee Account and its Designating CP's designate bank account in relation to EIPO application money
- Notify HKSCC when the payment instructions generated by FINI cannot be effected



* FINI Terms and Conditions has been published on FINI webpage.

03 | **SWIFT Implementation**

- Testing Preparation & Scope
- Data Specifications - SWIFT



03a | Testing Preparation

What should we do to prepare for the interface testing in Jan - Mar 2023?



Nominee Account

- Setup nominee account(s) for testing purpose (HKD / USD / CNY)
- Provide respective SWIFT BIC, Branch Code and Account Number to HKSCC during testing registration



- Complete RMA setup before the testing (i.e. create an authorisation to receive/send)
- Join the Close User Group (“CUG”) with the testing BIC **ZYYKHKH0** (take 2-3 weeks to complete)

! The interface test will be conducted solely via **SWIFTnet** and email. As there will be no access to FINI's testing environment or UI, and no VPN setup is required for this test.



03a | Testing Scope

The objectives of the testing is to ensure the SWIFT connectivity is successfully established between FINI and DBs (via SWIFT SAA server), and allows DBs to examine their internal operational processes and implementation progresses, where applicable, in order to:

- 1) receive the FINI's payment instructions from SWIFTnet, and
- 2) provide a payment confirmation and payment rejection through SWIFTnet

EIPO Refund is in testing scope and mandatory for Receiving Banks. HKEX welcome non-Receiving Banks to test the refund process.

! **Testing information pack will be published on Dec-2022. The document covers preparation and execution of the testing and schedule & timetable.**



03b | Data Field Specifications - SWIFT (MT900)

All ★ fields are mandatory to provide including fields which HKEX will not validate

Text block {4:}

	Field	Field Name	Format	FINI implementation guidelines	Example
★	20	Sender's Reference	16x	The DB's own reference. HKEX <u>does not</u> validate this field.	:20:3NJBK4L3L5SY2IY9
	21	Related Reference	16x	<u>Must be consistent</u> with :20:Sender's Reference or :21:Related Reference from the original MT101 message.	:21:8307336898421-01
★	25	Account Identification	35x	Always " 25 " to identify the account from which funds were debited. HKEX <u>does not</u> validate this field.	:25:012-001-123456789
	32A	Value Date, Currency Code, Amount	6!n3!a15d	Must be consistent with [Requested Execution Date][Currency / Transaction Amount] from original MT101 message.	:32A:211118HKD12345678,99
★	72	Sender to Receiver Information	/8c/[additional information]	Always code "REC" and a full copy of the sender's reference from the executing MT103 / MT202 message. HKEX <u>does not</u> validate this field.	:72:/REC/D08JSAARZ0IN502P

03b | Data Field Specifications - SWIFT (MT195)

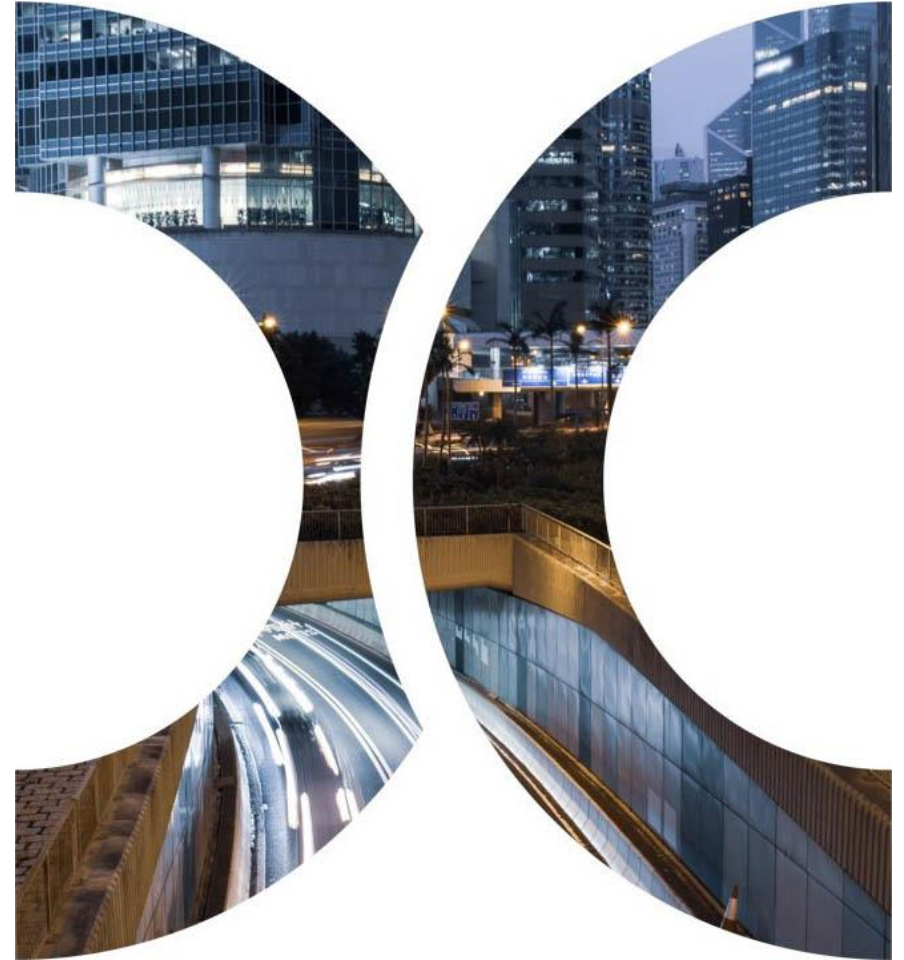
All ★ fields are mandatory to provide including fields which HKEX does not validate

	Field	Field Name	Format	FINI implementation guidelines	Example
★	20	Sender's reference	16x	The DB's own reference. HKEX <u>does not</u> validate this field.	:20:Pct4tMSzZhjVnJzA
	21	Related Reference	16x	<u>Must be consistent</u> with the :20:Sender's Reference or :21:Related Reference from the original MT101 message.	:21:8307336898421-01
	75	Queries	6*35x	Based on the following format: /2n/[supplement]	:75:/12/Technical failure please resend
★	11S	MT and Date of Original Message	3!n 6!n	Always "11S"	:11S:101 211118
		Copy of at least the Mandatory Fields of the Original Message		Repetition of the original MT101 message.	:20:8307336898421-01 :28D:1/1 :30:211118 :21: 8307336898421-01 :32B:HKD12345678,99 :50F:/012001123456789 1/BOCHK 3/HK/Hong Kong :52A:/012001123456789 BKCHHKHHXXX :57A:HSBCHKHHXXX :59:/004002987654321 HSBC NOMINEES (HK) LTD – ALIBABA 26F TOWER ONE TIMES SQUARE 1 MATHESON ROAD CAUSEWAY BAY HKSAR CHINA :71A:SHA



04 | Bank User Guide

- EIPO Funding Model (recap)
- FINI Functions

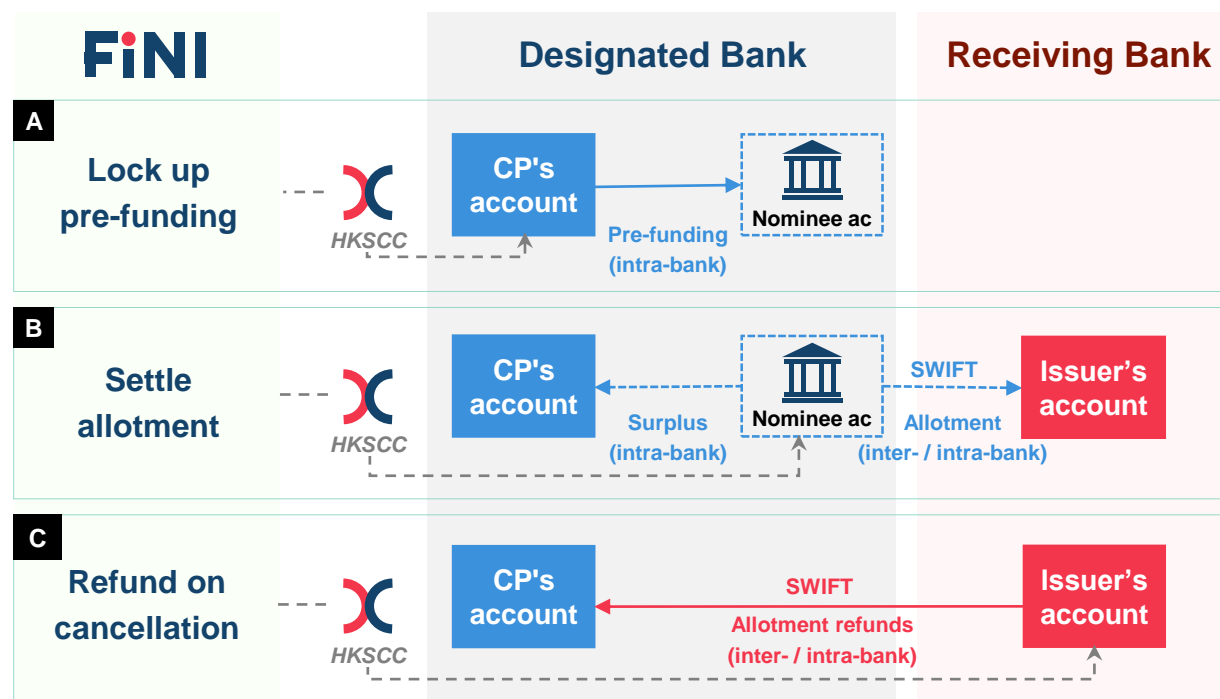


04a | EIPO funding model (recap from previous webinar)

Use of Nominee Account Structure

Legal title	DB, or its nominee company
Beneficial owner (account)	CPs
Ultimate beneficial owner (funds)	Investors or lending institutions

Interest-bearing	DB's discretion
Money recycling	No restriction from HKEX, subject to HKMA guidelines
# of nominee account(s)	One per DB and Currency, across all CPs / IPOs



A After Public Offer close: DB to transfer pre-funding from CP's account to nominee account, then provide confirmation to HKSCC

B After pricing / ballot: DB to transfer from DB's nominee account: (i) allotment to issuer's account; and (ii) surplus to CP's account

C IPO cancellation after settlement (extreme case): RB to transfer allotment refunds from issuer's account to CP's account



04b | FINI Functions : EIPO Funding (1/3)

A After Public Offer close: DB to transfer pre-funding from CP's account to nominee account, then provide a confirmation to HKSCC in **EIPO Funding section**

The screenshot displays the EIPO Funding section of the FINI system. On the left is a navigation menu with options: Dashboard, Initial Information, IPO Reference Data, Allocation Adjustments, Final Offer Pricing, Public Offer, EIPO Subscription, **EIPO Funding** (highlighted with a red 'A'), EIPO Allotment, EIPO Money Settlement, and Depository & Settlement. The main content area is titled 'EIPO Funding' and includes a back arrow. It features two summary cards: 'HKSCC Participant(s) Subject to Pre-funding' showing 5 confirmed participants and 'Pre-funding Value' showing 0.00 out of 666,651,810.00. Below these is a 'Funding Information' table with columns for Participant ID, Participant Name, POmax Opt-in Status, Application Value, Pre-funding Requirement, Allotment Value, Transaction Reference, and Funding Status. The table lists four participants (B00120 to B00123) all with 'Confirmed' status. A sidebar on the left shows the 'Best Company' as 35910 with an allocation confirmed at HKD 35,000.

HKSCC Participant(s) Subject to Pre-funding

Invalidated: 0 Rejected: 0 Pending: 0 Confirmed: 5
The funding status(es) of 0 HKSCC Participant(s) have been marked as Not Applicable

Pre-funding Value

Invalidated: 0.00 Rejected: 0.00 Pending: 0.00 Confirmed: 666,651,810.00
0.00 out of 666,651,810.00 has been removed from the EIPO Subscription Lists during the Pre-funding Window

Funding Information

Participant ID	Participant Name	POmax Opt-in Status	Application Value	Pre-funding Requirement	Allotment Value	Transaction Reference	Funding Status
B00120	B00120 PART SN	Y	44,443,454.00	44,443,454.00	35,352,747.50	0000000004674	Confirmed
B00121	B00121 PART SN	Y	88,886,908.00	88,886,908.00	70,705,495.00	0000000004672	Confirmed
B00122	B00122 PART SN	Y	133,330,362.00	133,330,362.00	106,058,242.50	0000000004673	Confirmed
B00123	B00123 PART SN	Y	177,773,816.00	177,773,816.00	141,410,990.00	0000000004675	Confirmed

Best Company
35910
Allocation Confirmed
HKD 35,000
Final Offer Price
2023-04-03 09:00
Commencement of Trading Date



04b | FINI Functions : EIPO Money Settlement (2/3)

B After pricing / ballot:

- DB to transfer from DB's nominee account:
 - (i) allotment money to Issuer's account;
 - (ii) release surplus to CPs' account;
- The settlement details and confirmation status of underlying CP will be displayed in ***EIPO Money Settlement section***


The screenshot displays the 'EIPO Money Settlement' interface. On the left is a sidebar menu with options: Dashboard, Initial Information, IPO Reference Data, Allocation Adjustments, Final Offer Pricing, Public Offer, EIPO Subscription, EIPO Funding, EIPO Allotment, **EIPO Money Settlement** (highlighted with a 'B' icon), and Depository & Settlement. The main content area shows a 'No request' status at the top. Below is a 'Payment Summary' table with columns for Receiving Bank Code, Number of Payment Instruction(s) (Pending, Rejected, Settled, Defaulted), and Total Amount (HKD). The summary shows 5 settled instructions for a total of 530,291,212.50 HKD. Below this is a 'Payment Instruction(s)' table with columns for Receiving Bank (Bank Code, Branch Code, Bank Account Number), Settlement Amount (HKD), MT 101 Status, Settlement Status, Rejection Reason, Last Updated Timestamp, and Last Updated User. Five rows of data are shown, all with 'Settled' status. A red box highlights the 'Settlement Status' and 'Rejection Reason' columns for the first five rows.

Receiving Bank		Settlement Amount (HKD)	MT 101 Status	Settlement Status	Rejection Reason	Last Updated Timestamp	Last Updated User	
003	111	111	35,352,747.50	ACK	Settled		2022-11-28 13:05	SWIFT
003	111	111	70,705,495.00	ACK	Settled		2022-11-28 13:05	SWIFT
003	111	111	106,058,242.50	ACK	Settled		2022-11-28 13:05	SWIFT
003	111	111	141,410,990.00	ACK	Settled		2022-11-28 13:05	SWIFT
003	111	111	176,763,737.50	ACK	Settled		2022-11-28 17:45	SWIFT

When all settlements are 'Settled', the IPO card will reach to 'Allocation Confirmed' from 'Money Settlement'

04b | FINI Functions : EIPO Refund (3/3)

- C** IPO cancellation after settlement (extreme case):
- RB to refund allotment money from Issuer's account to CPs' account
 - The refund status of each CP will be displayed in **EIPO Refund section**

 **Cancelled**
Alert: This IPO has been cancelled by its Sponsor(s). Please refer to the Issuer's announcement for further information.

C0

Cloud Technology Ltd
 11001
Cancelled
HKD 100.000
Final Offer Price
 2022-11-30 09:00
Commencement of Trading Date

- Dashboard
- IPO Reference Data
- Public Offer
 - EIPO Subscription
 - EIPO Funding (CP)
 - EIPO Funding (DB)
 - EIPO Allotment
 - EIPO Money Settlement
 - C EIPO Refund**

EIPO Refund

Receiving Bank Information

Bank Code 003	Branch Code 234	Bank Account Number 564
------------------	--------------------	----------------------------

Refund Summary

Designated Bank Code	Number of Refund Instruction(s)				Total Amount (HKD)			
	Pending	Rejected	Processed	Defaulted	Pending	Rejected	Processed	Defaulted
003	0	0	2	4	0.00	0.00	3,111,041.78	70,867,107.56
004	0	0	0	1	0.00	0.00	0.00	70,705.50

As Designated Bank					As Receiving Bank				
<div style="display: flex; justify-content: space-between; align-items: center;"> Contingency MT 101 (RB) List <div style="flex-grow: 1; text-align: right;"> Send... <input style="border: 1px solid #ccc; width: 100px;" type="text"/> </div> </div>									
Clearing Participant					Refund Amount (HKD)	Refund Date	Refund Status	Rejection Reason	Last Updated Timestamp
Sender's Reference	Bank Code	Branch Code	Bank Account Number						
0000000003248R02	003	447	01143001	80,806.28	10/10/2022	Defaulted	11 - Insufficient Detail to Identify	2022-10-10 17:45	
0000000003247R02	003	447	01451001	10,100,785.00	10/10/2022	Defaulted	10 - Name & Account Number Not Matched	2022-10-10 17:45	

FINI also triggers refund if the IPO is cancelled during/after the money settlement period.

05 | How to Get Ready

(recap)



05 | Key Dates to Remember

Registration will commence...

To be completed by...

On-boarding

8 November 2022
(Tue)

17 February 2023
(Thu)

Testing Setup

25 November 2022
(Fri)

31 March 2023
(Fri)

To be announced around...

Expected to be...

Interface Testing

December 2022

Q1 2023

GUI Testing

January / February 2023

Q2 2023

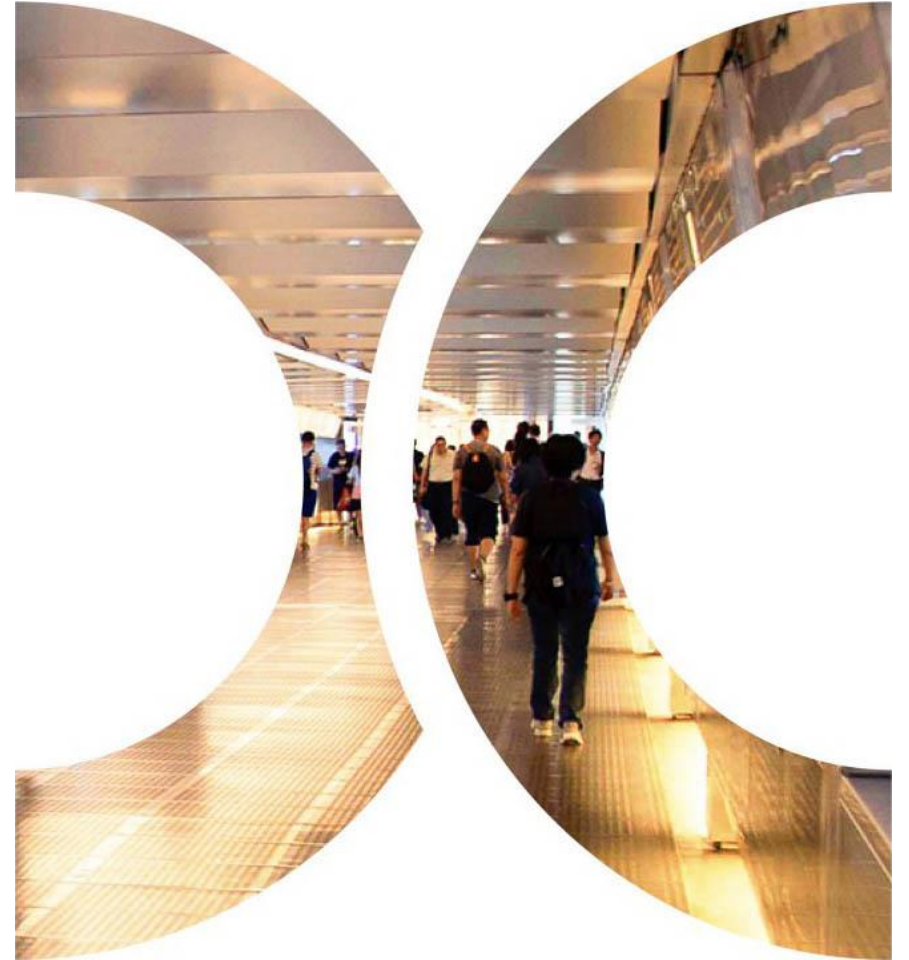
Launch

March / April 2023

~ Q2/Q3 2023



06 | **Contacts & Support**



06 | Resources

Available at <https://www.hkex.com.hk/fini>

FINI Recap

Timeline to Launch

How to Get Ready

- Registration
- Familiarisation & Testing
- Legal & Regulatory

Concept Paper

Concept Paper
Conclusions

Updated FINI
Information Pack

Online FINI
Registration
Form

FINI
Registration
Guide

FINI Terms &
Conditions

FINI API Guide

Access
Management
User Guide

User Guide for
HKSCC
Participants

User Guide for
FINI Banks

User Guide for
Intermediaries



06 | HKEX Contacts for FINI

Operating Hours: 09:00 to 18:00, Mondays to Fridays (excluding Public Holidays)

- HKEX welcomes enquiries from the market




+852 2211 5888



projectfini@hkex.com.hk

Go to www.menti.com and use the code 4257 6573

 Mentimeter

FINI Q&A

Go to
www.menti.com

Enter the code
4257 6573



Or use QR code

Results are hidden



Questions?

For further information on HKEX, please go to
hkexgroup.com and **hkexnews.hk**

For further information on FINI, please go to
hkex.com.hk/fini

