VaR Platform Familiarisation Programme

- Report Comparison Guidelines for Default Fund

August 2021

HKEX
香港交易所

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4. It remains to be GCP's responsibility and absolute discretion to determine and collect the marks and margin requirements for NCPs.

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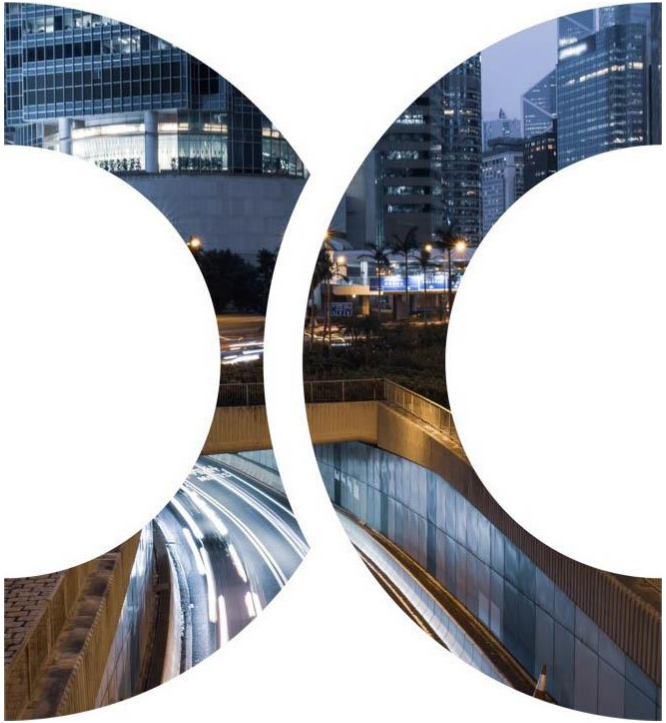


Default Fund Requirement

Basic Contribution & Dynamic Contribution

CCASS – Statement of Default Fund Contributions (CCMDF02)

**** New CCASS Report upon business launch of VaR Platform ****

VaR Platform – Default Fund Requirement Report (RMADF01)

Basic Contribution & Dynamic Contribution in CCASS

- Existing CCASS report replaces Statement of Guarantee Fund Contribution (GFR608)

```
CCMDF02                              HKEX - CCMS                        RUN DATE : 01MAR21
                          STATEMENT OF DEFAULT FUND CONTRIBUTIONS       RUN TIME : 12:00:31
                                                                            PAGE :      1

CCMS DATE : 01MAR21

FIRM NAME : B00001 FIRM FULL NAME
PART NAME : B00001 PARTICIPANT FULL NAME

FIRM ID PART ID A/C TYPE A/C NO
------- ------- -------- ------
BF00001  B00001    HSE     0001

                                                                             HK$
REQUIRED MINIMUM BASIC CONTRIBUTION                                       50,000.00

LESS: BALANCE BROUGHT FORWARD                                             69,000.00
                                                                     ---------------------
AMOUNT OF MINIMUM BASIC CONTRIBUTION DUE FROM / (TO) YOUR COMPANY (NOTE 1)   (19,000.00)
                                                                     =====================
---------------------------------------------------------------------------------------
                                                                             HK$
REQUIRED ADDITIONAL BASIC CONTRIBUTION                                    30,000.00

LESS: BALANCE BROUGHT FORWARD                                                  0.00
                                                                     ---------------------
AMOUNT OF ADDITIONAL BASIC CONTRIBUTION DUE FROM / (TO) YOUR COMPANY (NOTE 1) 30,000.00
                                                                     =====================

ACCRUED INTEREST (NOTE 2)                                                      0.00
---------------------------------------------------------------------------------------
                                                                             HK$
REQUIRED DYNAMIC CONTRIBUTION                                          2,768,500.00

LESS: BALANCE BROUGHT FORWARD                                          4,000,003.10
                                                                     ---------------------
AMOUNT OF DYNAMIC CONTRIBUTION DUE FROM / (TO) YOUR COMPANY (NOTE 1)  (1,231,503.10)
                                                                     =====================

ACCRUED INTEREST (NOTE 2)                                                      0.00
```

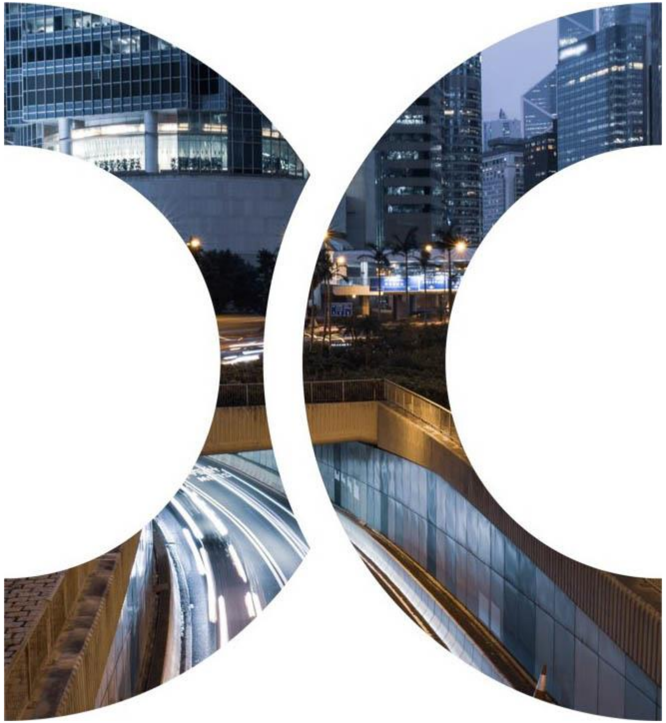
Basic Contribution & Dynamic Contribution in VaR Platform

- New VaR Platform report shows the breakdowns of the Basic Contribution & Dynamic Contribution
- Note that depending on actual result, some CP could have no requirement on the Additional Basic Contribution Requirement

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1		(R1) Batch	(R2) IDM	(R3) Create Time	(R4) Business Date									
2		321	2	20210301 12	20210301									
3	1	(R5) Clearing House	(R6) Exchange	(R7) Currency	(R8) Daily Stressed DF size	(R9) Dynamic Credit utilized by all CPs	(R10) Current DF Size + Dynamic Credit utilized by all CPs	(R11) DF Threshold	(R12) DF Predefined limit					
4	1	HKSCC	HK	HKD	2900000000	260000000	6599990000	6600000000	3300000000					
5	2	(R13) Participant ID	(R14) Account	(R15) Participant Name	(R16) Currency	(R17) Default fund ID	(R18) Share %	(R19) Settlement Date	(R20) Minimum Basic Contribution Requirement	(R21) Additional Basic Contribution Requirement	(R22) Dynamic Contribution Requirement	(R23) Dynamic Contribution Credit Utilized	(R24) Total DF Contribution Requirement	(R25) Daily EUL
6	2	B00001	MA1	B00001 PAR	HKD	HKSCC15	0.03365	20210301	50000	30000	3768500	1000000	2848500	1306335
7														

(R24) = (R20)+(R21)+(R22-R23)

02 | Default Fund Add-on



Default Fund Requirement & Default Fund Add-on

Daily Expected Uncollateralized Loss (EUL) and Default Fund Add-on

CCASS – Guarantee Fund Risk Collateral Requirement Report (GFR806) **** obsolete upon business launch of VaR Platform ****	VaR Platform – Default Fund Requirement Report (RMADF01) VaR Platform – MTM and Margin Requirement Report (RMAMR01)

Net Projected Loss (8)

- Net Projected Loss – replaced by Daily EUL under the new risk base model

Guarantee Fund Risk Collateral Requirement (10)

- GF Risk Collateral Requirement - replaced by “Default Fund Add-on” shown in RMAMR01 & RMAMR03; with breakdowns available in RMADF01

Daily EUL (R18 in RMADF01)

- Guarantee Fund Net Projected Loss for Guarantee Fund Risk Collateral calculation, i.e. Stressed default loss net of its own applicable collaterals

Default Fund Add-on (R37 in RMAMR01 & R21 in RMAMR03)

- Default Fund Add-on calculated based on new risk model, replaces Guarantee Fund Risk Collateral Requirement

```
GFR806                                   HKSCC - GFCS
                        GUARANTEE FUND RISK COLLATERAL REQUIREMENT REPORT

DATE : 01MAR21

PARTICIPANT ID   :  B00003
PARTICIPANT NAME :  B00003 PARTICIPANT FULL NAME

(7)  GF RISK COLLATERAL REQUIREMENT CALCULATION STATUS        :          TRIGGERED
(8)  NET PROJECTED LOSS                                       :   3,700,000,000.00
(9)  GF RISK PREDEFINED LIMIT                                 :   3,300,000,000.00
(10) GF RISK COLLATERAL REQUIREMENT                           :     400,000,000.00
(11) GF RISK COLLATERAL ON HAND                               :               0.00
(12) GF RISK COLLATERAL TO BE COLLECTED / (REFUNDED)          :     400,000,000.00
(13) DAILY STRESSED GF SIZE                                   :   6,700,000,000.00
(14) CURRENT GF SIZE + DYNAMIC CREDIT UTILIZED BY ALL CPS     :   6,600,000,000.00
(15) DYNAMIC CREDIT UTILIZED BY ALL CPS                       :     260,000,000.00
(16) GF THRESHOLD                                             :   6,600,000,000.00
```

RMADF01

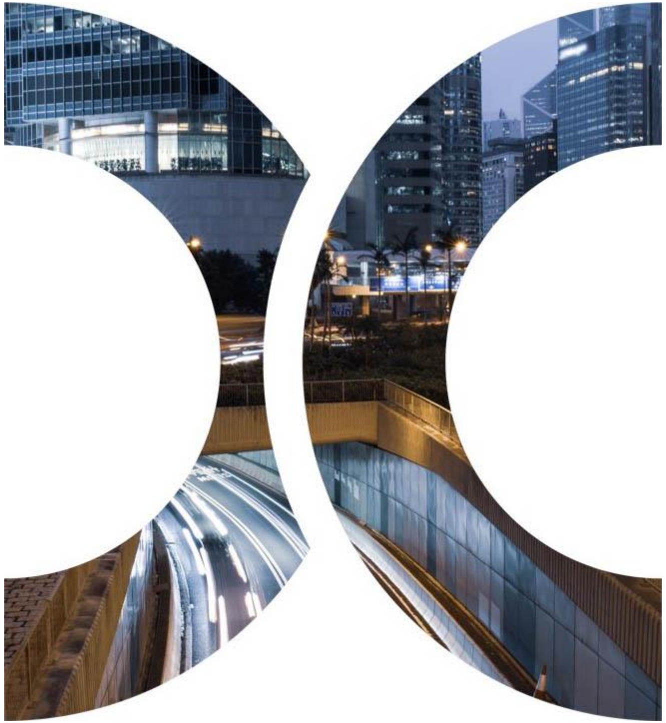
			E	F	G	H	I	J	K	L	M	N
1		Batch	Create									
2		321	20210301									
3	1	(R5) Clearing House	(R8) Daily Stressed DF size	(R9) Dynamic Credit utilized by all CPs	(R10) Current DF Size + Dynamic Credit	(R11) DF Threshold	(R12) DF Predefined limit					
4	1	HKSCC	6700000000	260000000	6600000000	6600000000	3300000000					
5	2	(R13) Participant ID	(R16) Currency	(R17) Default fund ID	(R18) Share %	(R19) Settlement Date	(R20) Minimum Basic Contribution Requiremen	(R21) Additional Basic Contribution Requirement	(R22) Dynamic Contribution Requirement before credit	(R23) Dynamic Contribution Requirement Utilized	(R24) Total DF Contribution Requirement	(R25) Daily EUL
6	2	B00002	HKD	HKSCC15	0.03365	20210301	100000	130000	150000000	1000000	149230000	3700000000

RMAMR01

	AH	AI	AJ	AK
1	[illegible] and Margin Requirement	(R35) Total EOT MTM and Margin Requirement to be collected through SEOCH	(R36) Total MTM and Margin Requirement to be collected through HKSCC	(R37) Default Fund Add-on
2	6937196	30000	6907196	400000000

03 | NCP Projection

(Applicable to GCP only)



NCP Projection

(c) Projected Default Fund Contribution

CCASS – NCP(s) Guarantee Fund Contribution Projection By Position (GFR616)
****** obsolete upon business launch of VaR Platform ******

VaR Platform – Default Fund Requirement Report (RMADF01)

Projected GF Contribution (10)

- Projected GF contribution of underlying NCPs, based on the average projected position (9)

Projected DF Contribution

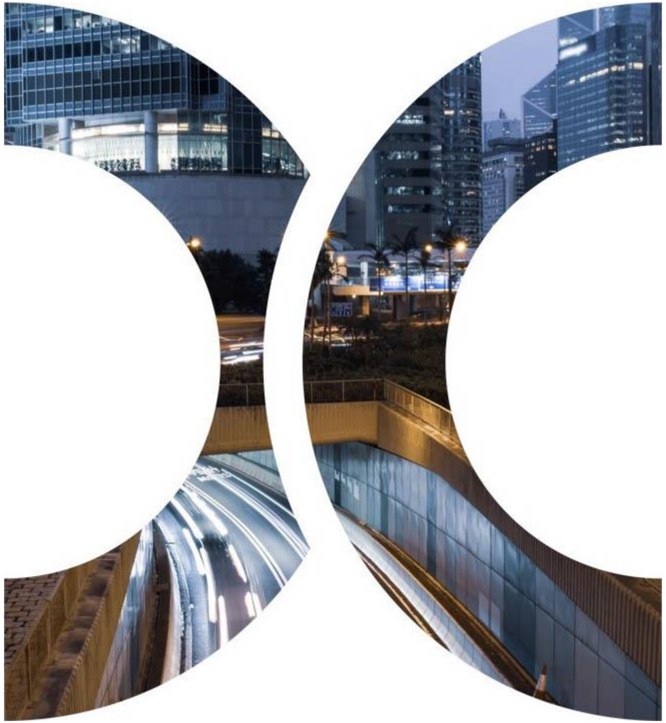
- Projected amount based on Share % (R18) estimated from the historical EUL of each NCP within the 60-day lookback period

```
GFR616                                  HKSCC                                    RUN DATE : 01MAR21
                     NCP(S) GUARANTEE FUND CONTRIBUTION PROJECTION BY POSITION   RUN TIME : 12:00:54
                                                                                     PAGE :      1
DATE : 01MAR21

(5) PARTICIPANT ID    :  B00002
(6) PARTICIPANT NAME :  B00002 PARTICIPANT FULL NAME

  (7)        (8)                            (9)                        (10)
NCP FIRM ID  FIRM NAME                  AVERAGE PROJECTED POSITION   PROJECTED GUARANTEE FUND CONTRIBUTION
                                                  HK$                          HK$
-----------  ----------------------   --------------------------   -------------------------------------

  99991      NCP1 FIRM NAME                      2,500,000.00                          625,000.00

  99992      NCP2 FIRM NAME                      1,000,000.00                          250,000.00

                              *** END OF REPORT ***
```

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
5	2	(R13) Participant ID	(R14) Account	((R15)	(R16) Currency	(R17) Default fund ID	(R18) Share %	(R19) Settlement Date	(R20) Minimum Basic Contribution Requiremen	(R21) Additional Basic Contribution Requirement	(R22) Dynamic Contribution Requirement before credit	(R23) Dynamic Contribution Requirement Utilized	(R24) Total DF Contribution Requirement	(R25) Daily EUL
6	2	B00002	MA1	E	HKD	HKSCC15	0.00023	20210301	300000	0	2000000	1000000	1300000	1306335
7	2	B00002	H1	E	HKD	HKSCC15	0.35	20210301					455000	0
8	2	B00002	99991+	E	HKD	HKSCC15	0.45	20210301					585000	0
9	2	B00002	99992+	E	HKD	HKSCC15	0.2	20210301					260000	0

04 | Field by field mapping

- VaR Platform Reports vs CCASS Reports



VaR Platform RMADF01 Default Fund Requirement Report

Reference to CCASS reports : GFR608 Statement of Guarantee Fund Contributions / GFR806 Guarantee Fund Risk Collateral Requirement Report [to be obsoleted]

Data in RMADF01	Data in CCASS Reports		Remarks
	GFR608	GFR806	
(R1) Batch	N/A		Batch ID of Default Fund Requirement Report
(R2) IDM	N/A		IDM = 2 for daily report, monthly and ad hoc review
(R3) Create Time	(3) Run Time		
(R4) Business Date	(4) Date		
(R5) Clearing House	N/A		
(R6) Exchange	N/A		
(R7) Currency	N/A		
(R8) Daily Stressed DF Size	N/A	(13) Daily Stressed GF Size	
(R9) Dynamic Credit utilized by all CPs	N/A	(15) Dynamic Credit Utilized By All CPs	
(R10) Current DF Size + Dynamic Credit Utilized By All CPs	N/A	(14) Current GF Size + Dynamic Credit Utilized By All CPs	
(R11) DF Threshold	N/A	(16) GF Threshold	
(R12) DF Predefined limit	N/A	(9) GF Risk Predefined Limit	

VaR Platform RMADF01 Default Fund Requirement Report

Reference to CCASS reports : GFR608 Statement of Guarantee Fund Contributions / GFR806 Guarantee Fund Risk Collateral Requirement Report [to be obsoleted] (cont'd)

Data in RMADF01	Data in CCASS Reports		Remarks
	GFR608	GFR806	
(R13) Participant ID	(5) Participant ID		
(R14) Account	N/A		Margin account only available in VaR Platform
(R15) Participant Name	(6) Participant Name		
(R16) Currency	N/A		
(R17) Default fund ID	N/A		Default fund ID for information only
(R18) Share %	N/A		CP's share of risk contribution to the overall contribution in %
(R19) Settlement Date	N/A		Settlement Date for the DF contribution requirement
(R20) Minimum Basic Contribution Requirement	(8) Minimum Cash Contribution Requirement		The required minimum cash Basic Contribution
(R21) Additional Basic Contribution Requirement	(9) Additional Contribution Requirement		The required Basic Contribution in addition to the minimum Basic Contribution requirement
(R22) Dynamic Contribution Requirement	(20) Calculated Dynamic Contribution		Dynamic Contribution before applying Dynamic Contribution Credit
(R23) Dynamic Contribution Credit Utilized	(21) Dynamic Contribution Credit Utilized		The lower of Dynamic Contribution Credit or the Dynamic Contribution (R22)
(R24) Total DF Contribution Requirement	(7) Required Basic Contribution + (19) Required Dynamic Contribution		Total Default Fund Contribution Requirement = (R20) + (R21) + (R22) – (R23)
(R25) Daily EUL		(8) Net Projected Loss	Guarantee Fund Net Projected Loss for Guarantee Fund Risk Collateral calculation