



## **VaR Platform Practice Session**

# **Information Package for Clearing Participants**

Issue Date: 11 February 2022

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Latest updates are highlighted in orange

## 1. Introduction

As set out in the circular dated 26 January 2022 (Reference: [CD/CDCRM/034/2022](#)), HKEX will organise a two-day Practice Session on 26 February 2022 (Saturday) and 27 February 2022 (Sunday), with the new risk model running on both Central Clearing and Settlement System (CCASS) and VaR Platform. The first day on 26 February 2022 facilitates Clearing Participants (CPs) to test their operational procedures in a normal business day; while the second day on 27 February 2022 simulates the communication and arrangement under an unlikely event where VaR Platform fails to operate. All CPs are encouraged to participate in the Practice Session to test and ensure their internal operational flows and system processes are ready for the official launch of VaR Platform.

This Information Package is designed to assist CPs in planning and preparing for the Practice Session. CPs should read this Information Package carefully and make necessary preparation before conducting the Practice Session. A copy of this document should also be passed to their IT support or system vendor to ensure the availability of proper technical support before and during the Practice Session.

## 2. Objectives and Scope

### 2.1 Objectives

The objective of the Practice Session is to provide opportunity for CPs to verify that their operations, including their back office system (if applicable) are ready for the launch of VaR Platform, i.e. able to conduct risk monitoring (if applicable) and prepare funding to fulfil risk obligations towards HKSCC, with reference to modified / new CCASS and VaR Platform reports as well as margin simulation via VaR Online.

### 2.2 Scope

#### 2.2.1 Practice Session Arrangement – 26 & 27 February 2022 (Saturday & Sunday)

The Practice Session consists of 2 sections:

i. Normal business day activities on 26 February 2022 (Saturday)

CPs can

- retrieve and assess modified and new CCASS reports, such as default fund and northbound related CCASS reports.
- retrieve and assess intra-day VaR Platform reports, with NCP information<sup>1</sup>, such as intra-day call related reports and end-of-day collateral requirement projection related reports.

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<sup>1</sup> Applicable to GCP only.

- simulate the covering of short positions by using specific stock collateral (via CCASS) to reduce their marks and margin requirements.
  - verify their risk monitoring and funding preparation arrangement based on CCASS and VaR Platform reports.
- ii. Contingency arrangement under VaR Platform failure on 27 February 2022 (Sunday):

CPs can rehearse the contingency arrangement as follows:

- HKSCC will use an alternative method to calculate the marks and margin, i.e. fallback calculation methodology. Please refer to [Appendix B](#) for details of the methodology.
- CPs have to rely on CCASS to receive HKSCC's notifications.
- CPs should retrieve CCASS reports for their collateral requirement<sup>2</sup> and payment obligations for funding preparation accordingly.

Please refer to Section 4.2 for the detailed schedule of the Practice Session, for full list of reports available during Practice Session, please refer to [Appendix C](#).

### **2.2.2 Post-Practice Session Arrangement - 28 February 2022 (Monday)**

To facilitate CPs to verify their daily report retrieval process, a full set of VaR Platform reports, including those intra-day reports will be generated and made available via RAP for **ONE** day on 28 February 2022 (Monday). CPs should take note that these intra-day VaR Platform reports are running under Familiarisation Programme and provided for familiarisation purposes only, CCASS activities performed during the day in production will **NOT** be reflected.

## **3. Important Notes to Clearing Participants**

### **3.1 Technical arrangement**

CPs should note the following arrangements for the preparation and execution of the Practice Session:

- a) CPs should use the registered client workstations to access RAP, i.e. with IP addresses submitted in the registration form for HKSCC Report Access Platform (RAP), while CPs should use their existing Securities and Derivatives Network (SDNet) to access VaR Online and CCASS during the Practice Session, the required Domain Name System (DNS) server IP is shown as follows:

Preferred DNS: 10.243.1.1 (UDP Port 53); and

Alternate DNS: 10.243.65.1 (UDP Port 53)

CPs can verify the DNS setup and connectivity to the Alternate DNS according to Section 4.5 of the [Technical Guide](#).

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<sup>2</sup> Collateral requirement includes marks, margin, Mainland Settlement Deposit and Mainland Security Deposit.

- b) In case any CPs not using HKEX provided DNS services to access RAP and VaR Online, please arrange staff with experience to update the host table or change IP addresses before and after the Practice Session.
- c) *Before the start of the Practice Session*, CPs using host table to access RAP & VaR Online, should check and ensure the domain for RAP and VaR Online will be resolved to the following secondary IP addresses in the **host table**. Before changing the host table, please close any SFTP connection to RAP:

RAP :                    10.243.66.51    [rapcc.hkexposttrade.com.hk](http://rapcc.hkexposttrade.com.hk)

VaR Online :        10.243.66.32    [rmcd.hkexposttrade.com.hk](http://rmcd.hkexposttrade.com.hk)  
                          10.243.66.15    [sso.hkexposttrade.com.hk](http://sso.hkexposttrade.com.hk)  
                          10.243.66.14    [idm.hkexposttrade.com.hk](http://idm.hkexposttrade.com.hk)

*After the Practice Session*, re-connect to Primary Data Centre (please refer to section 4.2 for detail schedule), by resuming to the following primary IP addresses in the **host table**. Before changing the host table, please close any SFTP connection to RAP at Primary Data Centre.

RAP :                    10.243.2.51    [rapcc.hkexposttrade.com.hk](http://rapcc.hkexposttrade.com.hk)

VaR Online :        10.243.2.32    [rmcd.hkexposttrade.com.hk](http://rmcd.hkexposttrade.com.hk)  
                          10.243.2.15    [sso.hkexposttrade.com.hk](http://sso.hkexposttrade.com.hk)  
                          10.243.2.14    [idm.hkexposttrade.com.hk](http://idm.hkexposttrade.com.hk)

CPs are reminded to re-connect to Primary Data Centre for RAP and VaR Online to continue their familiarisation activities in the Familiarisation Programme.

*Note : For CCASS, there should be no change to IP addresses in host table.*

- d) CPs using CCASS/3 Participant Gateway (PG) in the Practice Session should make sure that their Participant Supplied Systems (PSS) are NOT connected to their production environment during the Practice Session or back-up and restore procedures are already in place to clean up and resume their system back to production image after the Practice Session.
- e) **CPs who use Back Office System (BOS) or PSS of PG in the Practice Session are reminded to do clean-up and make sure that their corresponding BOS or PSS used in the Practice Session have been resumed to production image and ready for normal business activities on the next business day.**
- f) Users must use Internet Explorer 11 (IE 11) to access CCASS via CCASS Terminal, and the latest available version of Google Chrome to access VaR Online.
- g) **CPs should access CCASS, RAP and VaR Online via SDNet, where smartcard will be required to login CCASS.**

In view of the latest local COVID-19 epidemic situation, we expect CPs to have already adopted special work arrangements to reduce people flow and social contact in the community to curb the spread of the virus. As the Practice Sessions

would require CPs' staff to access CCASS, RAP and VaR Online (if applicable), please ensure that those participating in such session(s) adopt appropriate measures and, to the extent possible, are able to access the relevant system to conduct the test. If remote access is required, please ensure the necessary setup has been arranged and verified before the Practice Session.

- h) CPs should have their system administrator ID(s) and password(s) of their internal servers ready throughout the Practice Session, in case technical trouble-shooting is required.
- i) On both days of the Practice Session on 26 & 27 February 2022 (Saturday & Sunday), CPs should retrieve all CCASS reports under 'Report Date' 1 December 2021 from CCASS, the business day indicated inside the reports will be the logical date 1 December 2021 as well. The access to CCASS will be suspended at 21:30 on the first day of the Practice Session on 26 February 2022 (Saturday), while 11:30 on second day on 27 February 2022 (Sunday). The reports generated during the Practice Session will not be able to retrieve after the end of the Practice Session of each day.
- j) RAP will create system-generated subfolder based on calendar day. On the first day of the Practice Session on 26 February 2022 (Saturday), CPs should retrieve all VaR Platform reports/ data files from RAP subfolder "20220226", while the business day indicated inside the reports will be the logical date 1 December 2021 instead. The access to RAP will be suspended at 23:59 on 26 February 2022 (Saturday), reports generated during the Practice Session will not be able to retrieve after that. There is no activity in RAP on the second day of the Practice Session on 27 February 2022 (Sunday), CPs will not be able to access RAP on that day.
- k) Re section 2.2.2, after the Practice Session, on 28 February 2022 (Monday), full set of VaR Platform reports, including those intra-day reports will be available via RAP subfolder "20220228" for 10 calendar days, after that the normal RAP housekeeping rule will apply.

## **3.2 Operational arrangement**

- a) All VaR Platform and CCASS reports/data files available in the Practice Session are for testing purpose only. CPs should not rely on such VaR Platform and CCASS reports/data files for production use.
- b) After completion of the Practice Session, CPs should remove ALL upload file(s) and download report(s) / data file(s) used in the Practice Session to avoid mis-using them when production CCASS operates on the next business day.
- c) CPs should arrange appropriate staff who have knowledge and familiar with risk and collateral operations to participate in the Practice Session. Participating staff must have experience and access to CCASS in their daily business activities and

RAP/ VaR Online during Familiarisation Programme. Also the staff should use the production smartcards and passwords for accessing CCASS during the Practice Session. Besides, CPs should ensure that the participating staff will be able to perform or access the required CCASS functions, list of the available CCASS functions and the respective user access level code is set out in [Appendix D](#). The Delegated Administrators (DA) of CPs are encouraged NOT to change any user function access during the Practice Session as it will take time to take effect.

Prior to the Practice Session, CPs should ensure successful login to RAP, VaR Online and CCASS. During the Practise Session, there will NOT be support on password reset for CCASS DA or account unlock for VaR Online DA during the Practice Session.

- d) CPs should refer to the Checklist in [Appendix A](#) and the Schedule and Timetable listed in Section 4.2 for the action items to be performed before, during and after the Practice Session for preparation and execution. In order to achieve the objectives, it is imperative that CPs follow the Practice Session checklist and rundowns. CPs should ensure their participating staff is familiar with the requirements and procedures prior to participating in the Practice Session.
- e) **In addition, CPs are recommended to maintain a proper audit trail in respect of all activities performed during the Practice Session. A responsible officer or his/her designate of each participating CPs is advised to be available during the Practice Session to supervise the testing process and to be responsible for relaying any issues arising during the Practice Session to HKEX.** In any event, it is recommended that an internal briefing should be held by each CPs prior to the Practice Session to ensure that (1) staff involved fully understand all requirements and procedures and (2) proper arrangements have been put in place by the CP to comply with the Practice Session requirements.
- f) CPs should ensure that they have access to the emails of the designated contact person(s) nominated in the registration in order to receive emergency messages from HKEX during the Practice Session.
- g) After completion of the Practice Session, CPs are required to complete and return the “VaR Platform Practice Session Confirmation Form” as set forth in [Appendix F](#) to HKEX via email **at/ before 11:30am on 27 February 2022 (Sunday)**.

## 4. Schedule and Arrangements

### 4.1 Overview

The Practice Session will be divided into 2 parts – normal business daily operation on 26 February 2022 (Saturday) and contingency arrangement on 27 February 2022 (Sunday). Data used for the Practice Session on both 26 and 27 February 2022 will be the start of day of 1 December 2021. Please note that there will NOT be any trading activities as of 1 December 2021 during Practice Session.

### 4.2 Schedule and Timetable

During the Practice Session, CPs should follow the schedule and timetable as follows:

#### 4.2.1 Normal Business Day Operation

**Execution Date:** 26 February 2022 (Saturday)  
**Logical Date:** 1 December 2021 (Wednesday)  
**System Involved :** CCASS – production state  
 RAP & VaR Online – Familiarisation Programme state

26 February 2022 (Saturday) Normal Business Day Operation		
PRACTICE SESSION TIME (APPROX.)	PRACTICE SESSION ACTIVITIES	REMARKS
13:30 – 21:30	<b>Simulate daily business workflow to prepare for funding and payment</b> <ul style="list-style-type: none"> <li>• Systems involved: RAP, VaR Online and CCASS</li> </ul>	CPs should retrieve VaR Platform reports/data files via RAP subfolder “20220226” and CCASS reports under ‘Report Date’ 1 December 2021 from CCASS on 26 February 2022 (Saturday), and the business date indicated inside both VaR Platform and CCASS reports will be the logical date 1 December 2021. Please note that the access to RAP and CCASS will be suspended at 23:59 and 21:30 respectively, VaR Platform and CCASS reports for day 1 practice session reports will <b>NOT</b> be available on day 2 (i.e. 27 February 2022).
13:30 onwards	<u><b>RAP &amp; VaR Online</b></u> <ul style="list-style-type: none"> <li>• Access RAP to retrieve VaR Platform reports/data files</li> <li>• Logon to VaR Online via <a href="https://rmcd.hkexposttrade.com.hk">https://rmcd.hkexposttrade.com.hk</a> to conduct margin and stress testing simulation (if applicable)</li> </ul> <u><b>CCASS</b></u> <ul style="list-style-type: none"> <li>• Logon to CCASS using production smartcard and password via: <a href="https://www.ccass.com">https://www.ccass.com</a> to view Broadcast Messages for the communications from HKEX throughout the Practice Session</li> </ul>	<i>Before downloading the testing reports/ data files from CCASS, CPs should change the pre-defined “Report Directory” for download of reports and data files; for CCASS, CPs can do the setup via “Report Profile Maintenance” function, please refer to <a href="#">Appendix E</a> for details.</i>



<b>26 February 2022 (Saturday) Normal Business Day Operation</b>		
<b>PRACTICE SESSION TIME (APPROX.)</b>	<b>PRACTICE SESSION ACTIVITIES</b>	<b>REMARKS</b>
	<ul style="list-style-type: none"> <li>• Perform specific collateral related enquiry &amp; maintenance (if applicable)</li> <li>• Download CCASS reports via Report Download function</li> </ul>	
	<ul style="list-style-type: none"> <li>• <b>Start of day</b> <i>(simulating 09:00 start-of-day)</i></li> <li>• <b>Completion of monthly MSCD process</b> <i>(simulating 09:00 monthly MSCD process)</i></li> <li>• <b>Completion of monthly Default Fund review process</b> <i>(simulating 10:00 monthly default fund review process)</i></li> </ul>	<p><u>Report available via RAP:</u></p> <ul style="list-style-type: none"> <li>➤ Corporate Action Event Report (DWH0229)</li> <li>➤ IPO Indicator (DWH0303)</li> <li>➤ Daily Participant Margin Multiplier Report (DWH0081C)</li> <li>➤ Risk - Northbound MSCD Requirement Report (RMCNM03) <i>(for CCCP<sup>3</sup> only)</i></li> <li>➤ Default Fund Requirement Report (RMADF01)</li> </ul> <p><u>Report available via CCASS:</u></p> <ul style="list-style-type: none"> <li>➤ Statement of Default Fund Contributions (CCMDF02)</li> <li>➤ MSCD Payable Report (CRMGF01/03) (SH/SZ) <i>(for CCCP only)</i></li> </ul>
13:30 – 14:00	<p><b>Arrange stock collateral to cover short positions to reduce risk obligations (if applicable)</b></p> <p><b>CCASS</b></p> <ul style="list-style-type: none"> <li>• Maintain Specific Stock Collateral (SSC) via online or file upload</li> </ul> <p><i>Note: File Transmission Date and Batch Transmission Date in respective batch transfer files should be set as the Logical Date, i.e. 1 December 2021</i></p>	<p>For CPs who wants to simulate the reduction of marks and margin requirements by arranging stock collateral to cover their short positions, should complete the related maintenance functions before 14:00.</p> <p>For other CCASS function available during the Practice Session, please refer to <a href="#">Appendix D</a>.</p>
15:30	<p><b>Intra-day marks process</b> <i>(simulating 11:00 intra-day marks process)</i></p>	<p><u>Report available via RAP:</u></p> <ul style="list-style-type: none"> <li>➤ Marginable Position Report (RMAMP01)</li> <li>➤ MTM and Margin Requirement Report (RMAMR01)</li> <li>➤ MTM and Margin Requirement Report (Summary Version) (RMAMR03)</li> <li>➤ Series Price Report (DWH0305)</li> </ul> <p><u>Report available via CCASS:</u></p> <ul style="list-style-type: none"> <li>➤ Posting / Collateralisation Result Report – Intra-day (CCMPY01)</li> </ul>
15:45	<p><b>Intra-day MSTD process</b> <i>(simulating 11:30 intra-day MSTD process)</i></p>	<p><u>Report available via RAP:</u></p> <ul style="list-style-type: none"> <li>➤ Risk - Northbound MSTD Requirement Report (RMCNM01) <i>(for CCCP only)</i></li> </ul> <p><u>Report available via CCASS:</u></p>

<sup>3</sup> CCCP: China Connect Clearing Participant

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<b>26 February 2022 (Saturday) Normal Business Day Operation</b>		
<b>PRACTICE SESSION TIME (APPROX.)</b>	<b>PRACTICE SESSION ACTIVITES</b>	<b>REMARKS</b>
		<ul style="list-style-type: none"> <li>➤ MSTD Payable Report (SH/SZ) (CRMSD07/09) (for CCCP only)</li> </ul>
<b>17:15</b>	<b>First round of end-of-day marks and margin estimation process</b> <i>(simulating 15:00 first round of end-of-day marks and margin estimation process)</i>	<u>Reports available via RAP:</u> <ul style="list-style-type: none"> <li>➤ Marginable Position Report (RMAMP01)</li> <li>➤ MTM and Margin Requirement Report (RMAMR01)</li> <li>➤ MTM and Margin Requirement Report (Summary Version) (RMAMR03)</li> <li>➤ Series Price Report (DWH0305)</li> </ul>
<b>17:30</b>	<b>End-of-day MSTD estimation Process</b> <i>(simulating 15:30 end-of-day MSTD estimation process)</i>	<u>Reports available via RAP:</u> <ul style="list-style-type: none"> <li>➤ Risk - Northbound MSTD Requirement Report (RMCNM01) (for CCCP only)</li> </ul>
<b>18:15</b>	<b>Second round of end-of-day marks and margin estimation process</b> <i>(simulating 16:45 second round of end-of-day marks and margin estimation process)</i>	<u>Reports available via RAP:</u> <ul style="list-style-type: none"> <li>➤ Marginable Position Report (RMAMP01)</li> <li>➤ MTM and Margin Requirement Report (RMAMR01)</li> <li>➤ MTM and Margin Requirement Report (Summary Version) (RMAMR03)</li> <li>➤ Series Price Report (DWH0305)</li> </ul>
<b>20:00</b>	<b>End-of-day MSTD process</b> <i>(simulating 19:30 end-of-day MSTD process)</i>	<u>Reports available via RAP:</u> <ul style="list-style-type: none"> <li>➤ Risk - Northbound MSTD Requirement Report (RMCNM01) (for CCCP only)</li> </ul> <u>Report available via CCASS:</u> <ul style="list-style-type: none"> <li>➤ MSTD Payable Report (SH/SZ) (CRMSD01/04) (for CCCP only)</li> </ul>
<b>21:15</b>	<b>End-of-day marks and margin process</b> <i>(simulating 20:30 end-of-day marks and margin process)</i>  <b>Default fund add-on calculation process</b> <i>(simulating 20:30 Default Fund add-on calculation process)</i>	<u>Reports available via RAP:</u> <ul style="list-style-type: none"> <li>➤ Marginable Position Report (RMAMP01)</li> <li>➤ MTM and Margin Requirement Report (RMAMR01)</li> <li>➤ MTM and Margin Requirement Report (Summary Version) (RMAMR03)</li> <li>➤ Series Price Report (DWH0305)</li> <li>➤ Default Fund Requirement Report (RMADF01)</li> <li>➤ Stress Testing Report (RMAST01)</li> <li>➤ Initial Margin Risk Parameter File (RPF01)</li> <li>➤ Stress Testing Risk Parameter Files (RPF02/03/04)</li> </ul> <p>Note :RPF reports are only available to CPs who subscribed the RPF folder.</p> <u>Report available via CCASS:</u>

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<b>26 February 2022 (Saturday) Normal Business Day Operation</b>		
<b>PRACTICE SESSION TIME (APPROX.)</b>	<b>PRACTICE SESSION ACTIVITIES</b>	<b>REMARKS</b>
		➤ Posting / Collateralisation Result Report – Day End (CCMPY02)
<b>21:30</b>	<b>Completion of Day 1 Practice Session</b>	Logout from RAP, VaR Online and CCASS

**4.2.2 Contingency Arrangement**

Execution Date: 27 February 2022 (Sunday)  
 Logical Date: 1 December 2021 (Wednesday)  
 System Involved : CCASS – production state  
 VaR Online – Familiarisation Programme state

27 February 2022 (Sunday) Contingency Arrangement		
PRACTICE SESSION TIME (APPROX.)	PRACTICE SESSION ACTIVITES	REMARKS
09:00 – 11:30	<b>Simulate contingency communication and arrangement in case VaR Platform fails to operate</b> <ul style="list-style-type: none"> <li>System involved: VaR Online and CCASS</li> </ul>	CPs should retrieve CCASS reports under 'Report Date' 1 December 2021 from CCASS on 27 February 2022 (Sunday), and the business date indicated inside the CCASS reports will be the logical date 1 December 2021. Please note that the access to CCASS will be suspended at 11:30, CCASS reports for day 2 practice session reports will <b>NOT</b> be available after the end of the Practice Session on 27 February 2022.  CPs should note that <b>NO</b> VaR Platform report will be available in RAP on 27 February 2022.
09:00 – 09:30	<b><u>VaR Online</u></b> <ul style="list-style-type: none"> <li>Logon to VaR Online to conduct margin and stress testing simulation (if applicable)</li> </ul> <b><u>CCASS</u></b> <ul style="list-style-type: none"> <li>Logon to CCASS via: <a href="https://www.ccass.com">https://www.ccass.com</a> to</li> <li>view Broadcast Messages for HKSCC's contingency communications and arrangement</li> <li>download CCASS reports via Report Download function</li> </ul>	
09:30 – 10:15	<b>VaR Platform fails to operate at 09:30</b> <ul style="list-style-type: none"> <li>HKSCC will notify CPs of the contingency arrangement via CCASS Broadcast Messages</li> <li>CPs should enquire Broadcast messages via CCASS and follow the instructions</li> <li>Unavailable to access VaR Online</li> <li>HKSCC will use alternative method to calculate margin requirement</li> </ul>	<ul style="list-style-type: none"> <li>Homepage of VaR Online cannot be displayed, with error message "This site cannot be reached."</li> </ul>
10:15 – 10:30	<b>HKSCC completed the alternative margin calculation</b> <ul style="list-style-type: none"> <li>HKSCC will notify CPs of the availability of risk obligations reports via CCASS Broadcast Messages</li> </ul>	Report available via <u>CCASS</u> : <ul style="list-style-type: none"> <li>➤ Posting / Collateralisation Result Report – Day End (CCMPY02)</li> <li>➤ <b>MSTD Payable Report (CRMSD01/04) (SH/SZ)</b></li> </ul>

27 February 2022 (Sunday) Contingency Arrangement		
PRACTICE SESSION TIME (APPROX.)	PRACTICE SESSION ACTIVITIES	REMARKS
	<ul style="list-style-type: none"> <li>CPs should enquire Broadcast messages via CCASS and follow the instructions</li> </ul>	
10:30 – 11:00	<p style="color: #0070c0; margin: 0;"><b>Recovery of VaR Platform at 10:30</b></p> <ul style="list-style-type: none"> <li>HKSCC will notify CPs the recovery of VaR Platform via CCASS Broadcast Messages</li> <li>CPs can login VaR Online to verify the connectivity</li> </ul>	<ul style="list-style-type: none"> <li>VaR Online has resumed for connectivity verification only, after login an message "Authentication Failure" should be displayed.</li> </ul>
11:00 – 11:30	<p style="margin: 0;"><b>Completion of Day 2 Practice Session</b></p> <ul style="list-style-type: none"> <li>Logout from VaR Online and CCASS</li> <li><b>Complete and email the Confirmation Form (<a href="#">Appendix F</a>) to HKEX by 11:30am</b></li> </ul>	For CPs using host table to access RAP/ VaR Online and changed the host table for the Practice Session, please be reminded to close any SFTP connection to RAP before resolve the IP addresses in host table per Section 3.1 b.
Production Verification Session : Connect to Primary Data Centre (Optional)		
14:00 – 15:00	<p><b>Connectivity to RAP and VaR Online</b></p> <ul style="list-style-type: none"> <li>Access RAP to verify connectivity; an error message "Connection Refused" will be prompted</li> <li>Access VaR Online to verify connectivity via <a href="https://rmcd.hkexposttrade.com.hk">https://rmcd.hkexposttrade.com.hk</a>, an error message "Authentication Failure" will be displayed</li> </ul> <p><b>Connectivity to CCASS</b></p> <ul style="list-style-type: none"> <li><b>Logon to CCASS</b> using the production Smartcard and password via <a href="https://www.ccass.com">https://www.ccass.com</a></li> <li>Once you logon to CCASS, "Function not available" will be displayed, the connectivity is completed</li> <li>Please logout from CCASS</li> </ul>	

### 4.3 User Profile and Password

The user profiles of CPs are based on the latest production image prior to the Practice Session, i.e. 25 February 2022 (Friday).

Prior to the Practice Session, CPs should ensure successful login to RAP, VaR Online and CCASS, there will not be support on password reset for CCASS DA or account unlock for VaR Online DA during the Practice Session.

During the Practice Session, DAs of CPs are responsible for resetting user passwords in case any user's password is revoked. If password reset is performed during the Practice Session, the users concerned should use the *latest* password (i.e. after password reset in the Practice Session) for production use on the following business day (Monday).

#### **4.4 Practice Session Environment**

The Practice Session will be conducted based on the production image as of the start of day of 1 December 2021 (Wednesday). When CPs logon CCASS, RAP and VaR Online during the Practice Session, they will be simulating production operation during 1 December 2021 (Wednesday).

### **5. Communication Channels**

Before the Practice Session, i.e. approximately 2 hours, CPs can call CCASS Hotline at 2979-7111 to check whether the Practice Session will be held according to schedule.

During the Practice Session, HKEX will communicate with CPs via the following channels:

- a. **under normal situation, HKEX will communicate with CPs via Broadcast Messages through CCASS or via email;**
- b. in case of emergency where CPs are unable to access CCASS, HKEX will notify CPs of any ad hoc arrangements via email and/or phone calls.

CPs should ensure that their nominated person(s) will be reachable during the prescribed time and the relevant email addresses and mobile phone numbers submitted to HKEX are accurate.

### **6. Help Desk**

For any queries during the Practice Session, CPs can contact the following numbers for assistance:

- **2211-6828** –for VaR Platform Enquiry
- **2979-7111** –for General Enquiry

**APPENDIX A: Practice Session Checklist**

<b>ITEMS TO BE CHECKED</b>		<b>✓</b>
<b>(A) Before the Practice Session on 26 February 2022 (Saturday)</b>		
1	Have you read and understood this document?	
2	Have you passed this document to your internal IT support team or system vendor and ensured that they would take follow-up actions (if necessary)?	
3	Have you configured and verified Alternate Domain Name Servers (DNS) on workstations for access CCASS, RAP and VaR Online according to Section 4.5 of the <a href="#">Technical Guide</a> ?	
4	If you would use your BOS in the Practice Session, have you developed proper procedures to switch your BOS for testing purpose and prepared a data restore procedure in place to restore production data after the Practice Session?	
5	If you are PG users, have you ensured that proper procedures are developed to switch to testing environment without affecting the existing production PSS, and that a restore procedure is in place?	
6	Have you ensured that the participating users have access to CCASS functions to be tested in the Practice Session and their Smartcard passwords are valid?	
7	Have you saved the CCASS and VaR Platform reports/ data files from your production servers which will be used for downloading respective reports/ data files during the Practice Session?	
8	Have you changed the pre-defined "Report Directory" for download online reports and data files via "Report Profile Maintenance" function? Please refer to <a href="#">Appendix E</a> for details.	
9	Should the designated contact person(s) be changed, have you submitted the updated contact details (Email address and telephone number(s)) to HKEX?	
10	Have you arranged access for your designated contact person(s) to receive HKEX's communication via email and/or CCASS's Broadcast Messages before and during the Practice Session?	
11	Have you login RAP, VaR Online and CCASS successfully?	
<b>(B) After the Practice Session on 27 February 2022 (Sunday)</b>		
1	Have you cleaned up or removed the testing data or upload files or downloaded reports/data files from the production RAP and CCASS after the Practice Session?	
2	Have you restored the system of BOS to production image and ensure they are ready for production use on coming Monday, i.e. 28 February 2022?	
3	Have you submitted the "VaR Platform Practice Session Confirmation Form" ( <a href="#">Appendix F</a> ) to HKEX at/ before 11:30am, 27 February 2022 (Sunday) upon completion of the Practice Session?	

## **APPENDIX B: Fallback Calculation of Initial Margin and Marks under Contingency Arrangement**

- In the case where VaR platform failure, HKSCC will apply a flat rate to each Clearing Participant's (CP) portfolio for calculating the initial margin of marginable positions. Such flat rate will reference market volatility and may also consider other risk factors such as CP's own portfolio risk characteristics.
- The marks (i.e. mark to market) of each CP's portfolio will also be calculated to ensure the risk exposure is appropriately captured. The marks will be calculated based on the latest market price available to HKSCC under the contingency.
- The above calculation results (for both initial margin and marks) will be, subject to applicable credit and relevant add-ons, used for collateral collection (if the calculation result is greater than the collateral amount already collected by HKSCC) or release (if the calculation result is less than collateral amount already collected by HKSCC) between HKSCC and its CPs.
- Below is the formula to illustrate the aforementioned calculation:

CP's initial margin and marks requirement = Max [Flat rate x higher of (CP's marginable long positions, CP's marginable short positions) – margin credit – favourable marks, 0] + unfavourable marks + position limit add-on + credit risk add-on + ad hoc add-on.

Where:

1. CP's marginable long position refers to the aggregated market value of marginable position CP bought.
2. CP's marginable short position refers to the aggregate market value of marginable position CP sold (in absolute value).
3. Margin credit is assumed to be 5 million Hong Kong Dollar for each CP.
4. Favourable marks means mark to market gain / profit of CP's portfolio.
5. Unfavourable marks means mark to market loss of CP's portfolio.
6. Position limit add-on, credit risk add-on, and ad hoc add-on refer to the latest results calculated and shown in the MTM and Margin requirement report before the VaR platform failure.



## **APPENDIX C: List of Reports Available During Practice Session**

Below is the list of reports available during Practice Session of both days. Please note that the VaR Platform and CCASS reports will only be available to retrieve on the same day that the reports are generated during the Practice Session.

a. Practice Session Day 1: 26 February 2022 (Saturday)

<b>Practice Session Time</b>	<b>VaR Platform Report</b>	<b>CCASS Report</b>
13:30	<u>Start-of-day:</u> <ul style="list-style-type: none"> <li>• Corporate Action Event Report (DWH0229)</li> <li>• IPO Indicator (DWH0303)</li> <li>• Daily Participant Margin Multiplier Report (DWH0081C)</li> </ul> <u>Monthly MSCD process:</u> <ul style="list-style-type: none"> <li>• Risk - Northbound MSCD Requirement Report (RMCNM03) <i>(for CCCP only)</i></li> </ul> <u>Monthly Default Fund review process:</u> <ul style="list-style-type: none"> <li>• Default Fund Requirement Report (RMADF01)</li> </ul>	<u>Monthly MSCD calculation process:</u> <ul style="list-style-type: none"> <li>• MSCD Payable Report CRMGF01/03 (SH/SZ) <i>(for CCCP only)</i></li> </ul> <u>Monthly Default Fund review process:</u> <ul style="list-style-type: none"> <li>• Statement of Default Fund Contributions (CCMDF02)</li> </ul>
15:30	<u>Intra-day marks process:</u> <ul style="list-style-type: none"> <li>• Marginable Position Report (RMAMP01)</li> <li>• MTM and Margin Requirement Report (RMAMR01)</li> <li>• MTM and Margin Requirement Report (Summary Version) (RMAMR03)</li> <li>• Series Prices Report (DWH0305)</li> </ul>	<u>Intra-day marks process:</u> <ul style="list-style-type: none"> <li>• Posting / Collateralisation Result Report (CCMPY01)</li> </ul>
15:45	<u>Intra-day MSTD process:</u> <ul style="list-style-type: none"> <li>• Risk - Northbound MSTD Requirement Report (RMCNM01) <i>(for CCCP only)</i></li> </ul>	<u>Intra-day MSTD process:</u> <ul style="list-style-type: none"> <li>• MSTD Payable report (SH/SZ) (CRMSD07/09) <i>(for CCCP only)</i></li> </ul>
17:15	<u>First round of end-of-day marks and margin estimation process:</u> <ul style="list-style-type: none"> <li>• Marginable Position Report (RMAMP01)</li> <li>• MTM and Margin Requirement Report (RMAMR01)</li> <li>• MTM and Margin Requirement Report (Summary Version) (RMAMR03)</li> <li>• Series Prices Report (DWH0305)</li> </ul>	N/A
17:30	<u>End-of-day MSTD estimation process:</u> <ul style="list-style-type: none"> <li>• Risk - Northbound MSTD Requirement Report (RMCNM01) <i>(for CCCP only)</i></li> </ul>	N/A

Practice Session Time	VaR Platform Report	CCASS Report
18:15	<p><u>Second round of end-of-day marks and margin estimation process:</u></p> <ul style="list-style-type: none"> <li>• Marginable Position Report (RMAMP01)</li> <li>• MTM and Margin Requirement Report (RMAMR01)</li> <li>• MTM and Margin Requirement Report (Summary Version) (RMAMR03)</li> <li>• Series Price Report (DWH0305)</li> </ul>	N/A
20:00	<p><u>End-of-day MSTD process:</u></p> <ul style="list-style-type: none"> <li>• Risk - Northbound MSTD Requirement Report (RMCNM01) <i>(for CCCP only)</i></li> </ul>	<p><u>End-of-day MSTD process:</u></p> <ul style="list-style-type: none"> <li>• MSTD Payable report (SH/SZ) (CRMSD01/04) <i>(for CCCP only)</i></li> </ul>
21:15	<p><u>End-of-day marks and margin process:</u></p> <ul style="list-style-type: none"> <li>• Marginable Position Report (RMAMP01)</li> <li>• MTM and Margin Requirement Report (RMAMR01)</li> <li>• MTM and Margin Requirement Report (Summary Version) (RMAMR03)</li> <li>• Series Price Report (DWH0305)</li> <li>• Initial Margin Risk Parameter File (RPF01)</li> </ul> <p><u>Default Fund add-on calculation process:</u></p> <ul style="list-style-type: none"> <li>• Default Fund Requirement Report (RMADF01)</li> <li>• Stress Testing Risk Parameter Files (RPF02/03/04) <i>(for CPs who have subscribed RPF only)</i></li> <li>• Stress Testing Report (RMAST01)</li> </ul> <p>Note :RPF reports are only available to CPs who subscribed the RPF folder.</p>	<p><u>End-of-day marks and margin process:</u></p> <ul style="list-style-type: none"> <li>• Posting / Collateralisation Result Report (CCMPY02)</li> </ul>

b. Practice Session Day 2: 27 February 2022 (Sunday)

Practice Session Time	VaR Platform Report	CCASS Report
10:15	N/A	<p><u>End-of-day marks and margin process:</u></p> <ul style="list-style-type: none"> <li>• Posting / Collateralisation Result Report (CCMPY02)</li> </ul> <p><u>End-of-day MSTD:</u></p> <ul style="list-style-type: none"> <li>• <u>MSTD Payable Report (CRMSD01/04) (SH/SZ)</u></li> </ul>

**APPENDIX D: CCASS Available Functions**

CPs who would like to perform enquiry and maintenance functions through CCASS during Practice Session may refer to the below list for the available functions and the required user access level code:

a. Practice Session Day 1: 26 February 2022 (Saturday)

CCASS Function		
Function Type	Function Name	User Access Level Code
Enquiry	Enquire Collateral Account Balance	S
	Enquire Collateral Account Movement	S
	Enquire Collateral Inventory	S
	Enquire Broadcast Message	C, P, Q, T, S, U
	Enquire Stock Account Balance	C
	Enquire Stock Account Movement	C
	Enquire Settlement Activity	C
	Enquire Due/Overdue Position	C
	Report Download	C
Maintenance <sup>4</sup>	Add CCASS To CCMS Stock Transfer	P
	Add CCMS To CCASS Stock Transfer	U
	Add General To Specific Stock Collateral	Q
	Add Specific To General Stock Collateral	T
	Specific Stock Collateral Batch File Upload	27
	Authorise Specific Stock Collateral Batch File	28

<sup>4</sup> CPs who wants to simulate the reduction of marks and margin requirements by arranging stock collateral to cover their short positions (Specific Stock Collateral), should complete the related maintenance functions before 14:00 on 26 February 2022 (Saturday).

b. Practice Session Day 2: 27 February 2022 (Sunday)

<b>CCASS Function</b>		
<b>Function Type</b>	<b>Function Name</b>	<b>User Access Level Code</b>
Enquiry	Enquire Broadcast Message	P, Q, S, T, U
	Enquire Stock Account Balance	C
	Enquire Stock Account Movement	C
	Enquire Settlement Activity	C
	Enquire Due/Overdue Position	C
	Report Download	C

## APPENDIX E: Procedures to Change the Pre-Defined “Report Directory” for Download of CCASS Reports and Data Files Via “Report Profile Maintenance” Function

1. Logon to CCASS and select “Report Profile Maintenance” function (available to user with function group C only)
2. Select “GLOB” at the Market data field, then click the Submit button.

The screenshot shows the 'Report Profile Maintenance' page. On the left is a navigation menu with 'Report Profile Maintenance' selected. The main content area has a title bar 'Report Profile Maintenance' with links for 'Site Map', 'Broadcast Message', 'Report Download', 'Announcement Information', 'Change Password', 'Print', and 'Logout'. Below this is a 'Report Profile Maintenance Prompt' section with a 'Market' dropdown menu set to 'GLOB' and a 'Participant ID' text box containing 'B01356'. At the bottom of this section are 'Submit' and 'Refresh' buttons, and a 'Help' link on the right.

3. Enter the directories for downloading of reports / data files for the Practice Session (e.g. C:\VaRPlatformPracticeSession\Reports\ for downloading reports and C:\VaRPlatformPracticeSession\DataFiles\ for downloading data files), then click the “Change” button.
4. Then click “Confirm” button to confirm the report profile settings. Please also make sure you have the access right to the directories for report download.
5. Repeat steps 1 to 4 above by selecting “HONG KONG MARKET (HKMK) / A-SHARE MARKET (MAMK/ SZMK)” at the market field.

The screenshot shows the 'Report Profile Maintenance' page with the 'Report Directory' section highlighted by a black oval. This section contains four text input fields: 'Directory for Online Report Text', 'Directory for Online Data Images', 'Directory for Overnight Report Text', and 'Directory for Overnight Data Images'. All four fields contain the path 'C:\CC3\ONLINE\RMFI'. Below these fields are 'Change' and 'Refresh' buttons. The left navigation menu is visible on the left side of the page.

## **APPENDIX F: VaR Platform Practice Session Confirmation Form**

Clearing Participants are required to complete and return this Confirmation Form to the HKEX before 11:30am on 27 February 2022 (Sunday) by email from the designated participating user. Inquiries regarding this form may be directed to Hotline at 2211-6828 or 2979-7111.

**To : Hong Kong Exchanges and Clearing Limited**    Email : [NG\\_PostTrade@hkex.com.hk](mailto:NG_PostTrade@hkex.com.hk)

**Date:** \_\_\_\_\_

<b>Clearing Participant Information</b>	
Participant Name	Participant ID
Designated Participating User (Name)	Phone No.

<b>Completion of Practice Session</b> (please tick as appropriate below)
<input type="checkbox"/> We have participated in and successfully completed the VaR Platform Practice Session, which covered (i) the normal business day operations and (ii) the contingency arrangement under VaR Platform fail to operate.
<input type="checkbox"/> We encounter issues during the Practice Session as follows: _____

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If you have any questions about this Privacy Policy Statement or how we use your personal data, please contact us through one of the communication channels set out in the "Contact Us" section below.

We will take all practicable steps to ensure the security of the personal data and to avoid unauthorised or accidental access, erasure or other use. This includes physical, technical and procedural security methods, where appropriate, to ensure that the personal data may only be accessed by authorised personnel.

Please note that if you do not provide us with your personal data (or relevant personal data relating to persons appointed by you to act on your behalf) we may not be able to provide the information, products or services you have asked for or process your requests, applications, subscriptions or registrations, and may not be able to perform or discharge the Regulatory Functions (defined below).

#### Purpose

From time to time we may collect your personal data including but not limited to your name, mailing address, telephone number, email address, date of birth and login name for the following purposes:

1. to process your applications, subscriptions and registration for our products and services;
2. to perform or discharge the functions of HKEX and any company of which HKEX is the recognised exchange controller (as defined in the Securities and Futures Ordinance (Cap. 571)) ("Regulatory Functions");
3. to provide you with our products and services and administer your account in relation to such products and services;
4. to conduct research and statistical analysis;
5. to process your application for employment or engagement within HKEX to assess your suitability as a candidate for such position and to conduct reference checks with your previous employers; and
6. other purposes directly relating to any of the above.

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Where you have given your consent and have not subsequently opted out, we may also use your name, mailing address, telephone number and email address to send promotional materials to you and conduct direct marketing activities in relation to HKEX financial services and information services, and financial services and information services offered by other members of the Group.

If you do not wish to receive any promotional and direct marketing materials from us or do not wish to receive particular types of promotional and direct marketing materials or do not wish to receive such materials through any particular means of communication, please contact us through one of the communication channels set out in the "Contact Us" section below. To ensure that your request can be processed quickly please provide your full name, email address, log in name and details of the product and/or service you have subscribed.

#### Identity Card Number

We may also collect your identity card number and process this as required under applicable law or regulation, as required by any regulator having authority over us and, subject to the PDPO, for the purpose of identifying you where it is reasonable for your identity card number to be used for this purpose.

#### Transfers of personal data for direct marketing purposes

Except to the extent you have already opted out we may transfer your name, mailing address, telephone number and email address to other members of the Group for the purpose of enabling those members of the Group to send promotional materials to you and conduct direct marketing activities in relation to their financial services and information services.

#### Other transfers of your personal data

For one or more of the purposes specified above, your personal data may be:

1. transferred to other members of the Group and made available to appropriate persons in the Group, in Hong Kong or elsewhere and in this regard you consent to the transfer of your data outside of Hong Kong;
2. supplied to any agent, contractor or third party who provides administrative,

telecommunications, computer, payment, debt collection, data processing or other services to HKEX and/or any of other member of the Group in Hong Kong or elsewhere; and

3. other parties as notified to you at the time of collection.

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#### Corporate reorganisation

As we continue to develop our business, we may reorganise our group structure, undergo a change of control or business combination. In these circumstances it may be the case that your personal data is transferred to a third party who will continue to operate our business or a similar service under either this Privacy Policy Statement or a different privacy policy statement which will be notified to you. Such a third party may be located, and use of your personal data may be made, outside of Hong Kong in connection with such acquisition or reorganisation.

#### Access and correction of personal data

Under the PDPO, you have the right to ascertain whether we hold your personal data, to obtain a copy of the data, and to correct any data that is inaccurate. You may also request us to inform you of the type of personal data held by us. All data access requests shall be made using the form prescribed by the Privacy Commissioner for Personal Data ("Privacy Commissioner") which may be found on the official website of the Office of the Privacy Commissioner or via this link <https://www.pcpd.org.hk/english/publications/files/Dforme.pdf>.

Requests for access and correction of personal data or for information regarding policies and practices and kinds of data held by us should be addressed in writing and sent by post to us (see the "Contact Us" section below).

A reasonable fee may be charged to offset our administrative and actual costs incurred in complying with your data access requests.

#### Termination or cancellation

Should your account or relationship with us be cancelled or terminated at any time, we shall cease processing your personal data as soon as reasonably practicable following such cancellation or termination, provided that we may keep copies of your data as is reasonably required for archival purposes, for use in relation to any actual or potential dispute, for the purpose of compliance with applicable laws and regulations and for the purpose of enforcing any agreement we have with you, for protecting our rights, property or safety, or the rights, property or safety of our employees, and for performing or discharging our functions, obligations and responsibilities.

#### General

If there is any inconsistency or conflict between the English and Chinese versions of this Privacy Policy Statement, the English version shall prevail.

#### Contact us

By Post:  
Personal Data Privacy Officer  
Hong Kong Exchanges and Clearing Limited  
8/F., Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

By Email:  
DataPrivacy@HKEX.COM.HK