



**HONG KONG INTERBANK
CLEARING LIMITED**
香港銀行同業結算有限公司

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11 February 2021

Your ref:

Our ref:

Circular No. 2021/031

Members of the Clearing House

eCMT Users and iCMT Users

and

TR Members

Dear Sirs,

Contingency Drills in 2021

It is a standing practice for HKICL to conduct a series of annual drills with member banks and users in the production or backup site to ascertain the robustness of various contingency arrangements. To facilitate member banks and users in making necessary arrangements in advance, we have drawn up the following schedule of contingency drills in 2021 for your reference:

CLS full outage drills on 15 March and 13 September 2021: these half yearly CLS full outage drills will enable HKICL to rehearse the contingency procedures of receiving CLS payments (i) on behalf of the CLS Bank via automated contingency channel; and (ii) from all of its Nostro Agents via Special Posting. All member banks who have subscribed to CLS are required to participate in these drills in the production environment on Monday, 15 March 2021 and Monday, 13 September 2021.

Cheque Imaging and Truncation System (CITS) contingency drill on 26 March 2021: this drill will enable member banks and HKICL to rehearse the contingency procedures using production HKD/USD/RMB cheques in the event of failure of CITS in the production environment. The date of this drill may be subject to change if the projected cheque volume on that date is unexpectedly high due to e.g., IPO, and member banks will be informed of the change, if any.

Drills on random exchange of low-value cheques on 16 April and 8 October 2021: two drills for physical exchange of a small volume of randomly selected low-value HKD/USD/RMB cheques with member banks will be held on Friday, 16 April 2021 and Friday, 8 October 2021. Similar to the previous drills, 2% of the low-value cheques will be randomly selected and exchanged in the production environment.

File transfer service (FTS) contingency drill in August 2021: this drill will enable member banks who have subscribed to FTS to rehearse the contingency measures of exchanging clearing/return files and cheque image files with HKICL using contingency media in the testing environment.

Bank default communication and system drill between August and September 2021: riding on the annual FTS contingency drill, this drill will enable member banks to rehearse the contingency procedures of bank default in the testing environment.

Special posting drill from August to mid-October 2021: this drill will apply to all clearing currencies of CHATS (HKD, USD, Euro, and RMB). All member banks, except for overseas RMB clearing members, will be invited to participate in this drill to rehearse the contingency procedures of submitting special posting files to HKICL for payment settlement in the testing environment.

End-of-day Net Settlement (EODNS) drill from late October till mid-December 2021: all member banks will be invited to participate in this drill to rehearse the contingency procedures of submitting EODNS files to HKICL for payment settlement in the testing environment.

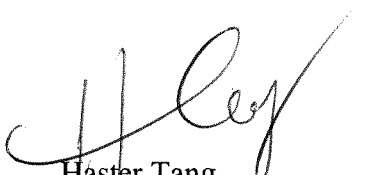
Annual clearing contingency drill from 8 November 2021 to 12 November 2021: this drill aims to ensure the sustainability of HKICL's backup site for production operations of all clearing and settlement systems of HKICL. All Settlement Institutions, Clearing Bank, clearing members and business partners are required to participate in this drill in the production environment.

The annual clearing contingency drill for all clearing currencies will be held from Monday, 8 November 2021 to Friday, 12 November 2021. During this period, the operating windows of the RTGS systems and the bulk clearing schedules of HKD/USD/RMB clearing, including submission and collection of clearing/return/cheque images, will adhere to the normal timetable.

On Monday, 8 November 2021, physical submission and collection of all bulk clearing items will only be conducted at the backup operation centre at BOA, i.e. **no dual-site operation** on this drill day. Physical submission and collection of all bulk clearing items will resume normal at both the production operation centre at MGT and the backup operation centre at BOA from Tuesday, 9 November 2021 to Friday, 12 November 2021.

A master schedule summarising the 2021 contingency drills is attached (Attachment) for ease of reference. Members, eCMT Users, iCMT Users and TR Members will be informed of the details of individual drills in due course. For enquiries, please contact our Services Management at 2533 1100.

Yours faithfully,


Haster Tang
Chief Executive Officer