



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

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Your ref:

Our ref: Circular No. 2022//047

Members of the Clearing House

eCMT Users and iCMT Users

and

TR Members

Dear Sirs,

Contingency Drills in 2022

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 2022 for your reference:

Drills on random exchange of low-value cheques on 22 April and 7 October 2022: 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, 22 April 2022 and Friday, 7 October 2022. Similar to the previous drills, 2% of the low-value cheques will be randomly selected and exchanged in the production environment.

Cheque Imaging and Truncation System (CITS) contingency drill on 20 May 2022: 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 will be subject to change if the projected cheque volume of the proposed drill date is unexpectedly high due to, say IPO. Member banks will be duly informed of the change, if any.

CLS full outage drills on 23 May and 7 November 2022: these half-yearly CLS full outage drills will enable HKICL to rehearse the contingency procedures on receipt of CLS payments (i) on behalf of the CLS Bank via automated contingency channel; and (ii) from all Nostro Agents via Special Posting. All CLS subscribing member banks are required to participate in these drills in the production environment on Monday, 23 May 2022 and Monday, 7 November 2022.

Annual clearing contingency drill from 18 July to 22 July 2022: 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.

Subject to the development of the COVID-19 pandemic, the annual clearing contingency drill for all clearing currencies will be held from Monday, 18 July 2022 to Friday, 22 July 2022 tentatively. 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 remain unchanged.

On Monday, 18 July 2022, physical submission and collection of all bulk clearing items will only be conducted at the backup clearing 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 clearing operation centre at MGT and the backup clearing operation centre at BOA from Tuesday, 19 July 2022 to Friday, 22 July 2022.

File transfer service (FTS) contingency drill from August to September 2022: this drill will enable member banks who have subscribed to FTS to test the contingency measures on exchange of clearing/return files and cheque image files with HKICL via contingency media in the testing environment.

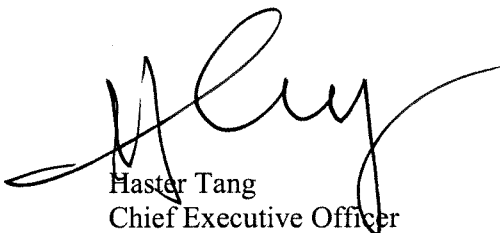
Bank default communication and system drill from August to September 2022: riding on the annual FTS contingency drill, this drill will enable member banks to rehearse the contingency procedures on bank default in the testing environment.

Special Posting drill from August to mid-October 2022: 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 on submission of special posting files to HKICL for settlement of payments in the testing environment.

End-of-day Net Settlement (EODNS) drill from late October to December 2022: all member banks will be invited to participate in this drill to rehearse the contingency procedures on submission of EODNS files to HKICL for settlement of payments in the testing environment.

A master schedule summarising the 2022 contingency drills is attached (Attachment) for your 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