

Failed Trade/Settlement Reporting

Once the trade is executed on approved trading platform, there is no ability for the onshore dealers (BCMMs) or offshore counterparty (Bond Connect Investor) to cancel or modify the trade. Any trades that are executed and failed to settle are subject to settlement failure reporting per PBOC and CFETS requirement. Following are quick summary of the settlement failure forms and timeline for filing. These forms are also available in the appendix.

1. CFETS Report Form of Settlement Failure 全国银行间同业拆借中心 CFETS 结算失败报备表 [Here](#) (English and Chinese)
2. CCDC Failed Settlement Form 债券交易结算失败备案表 [Here](#) (Simplified Chinese)
3. SHCH Failed Settlement Form 银行间市场清算所股份有限公司 债券交易结算失败备案表 [Here](#) (Simplified Chinese) ; [Here](#) (English)
4. CMU Reporting on Bond Connect Failed Trades [Here](#) (English)

Scenario	Infrastructure involved	Form Required	Submission Deadline	Who is responsible	Whom to send the form
A. If the settlement has not yet been affirmed by CMU	CFETS	1	SD+1 17:00	BCMM & Investor	<ul style="list-style-type: none"> To BCCL for further submission to CFETS
	For securities that settle in CCDC	2 or	SD+1 17:00	BCMM & Investor	<ul style="list-style-type: none"> To CCDC only if the settlement has not yet been affirmed by CMU
	For securities that settle in SHCH	3	SD+1 17:00	BCMM & Investor	<ul style="list-style-type: none"> To SHCH only if the settlement has not yet been affirmed by CMU
B. If the settlement has been affirmed by CMU	CFETS	1	SD+1 17:00	BCMM & Investor	<ul style="list-style-type: none"> To BCCL for further submission to CFETS
	For securities that settle in CCDC	2 or	SD+1 14:00	BCMM & Investor	<ul style="list-style-type: none"> Investor should forward a copy to CMU custodian immediately as CMU required copy of this submission form by 14:00 of the next business day

	For securities that settle in SHCH	3	SD+1 14:00	BCMM & Investor	<ul style="list-style-type: none"> Investor should forward a copy to CMU custodian immediately as CMU required submission copy of this form by 14:00 of the next business day for reference
	CMU	4	SD+1 14:00	CMU Member & their client ¹	<ul style="list-style-type: none"> To CMU member for further submission to CMU.

¹ CMU Member may contact their client (the entity who contracted with CMU Member for custody service) in order to complete the reason for fail settlement before submission to CMU. CMU Member's client may be different from the Bond Connect **Investor** (offshore counterparty)

Failed Trade/Settlement Reporting FAQ

Forms to Complete	FAQ
<p>1. CFETS Report Form of Settlement Failure 全国银行间同业拆借中心 CFETS 结算失败报备表</p>	<p>1. Who needs to be involved and responsible for this report? The Bond Connect Market Maker (BCMM) and the offshore counterparty (Investor) will need to complete, sign and return the form to BCCL no later than 17:00 of the next business day after the settlement date (SD).</p> <p>2. What is the process?</p> <ol style="list-style-type: none"> As soon as the BCMM and Investor become aware that the trade will fail or has failed to settle, the BCMM should fill and sign the CFETS Report Form of Settlement Failure and email to the Investor to countersign. The Investor will need sign and return the form on the same day to BCMM, copying BCCL (info@chinabondconnect.com) BCCL will submit the form to CFETS upon receipt. BCCL has daily failed trade report and will actively contact the BCMM and Investor in case they are not aware of the failed trade. <p>3. Does the information need to be in Chinese and will BCCL help provide translation? According to BCCL, the information has to be in Simplified Chinese and it is expected that the onshore dealer (BCMM) will fill in the form in Simplified Chinese. BCCL will assist Investors to translate to Simplified Chinese if necessary.</p> <p>4. What are the penalties for the investors for late filing or no filing According to BCCL, Onshore dealer and Bond Connect investor will be in breach of the trading rules published by PBOC and CFETS if no filing. For late filing as long as the investor has legitimate reason, BCCL will assist to provide explanation to CFETS. PBOC and CFETS will determine whether to impose penalty on case by case basis.</p>
<p>2. CCDC Failed Settlement Form 债券交易结算失败备案表</p>	<p>1. Who needs to be involved and responsible for this report? The BCMM and the Investor will need to complete, sign and return to CCDC no later than 17:00 (if settlement yet affirmed by CMU) or to CMU Member no later than 14:00 (if settlement affirmed by CMU) of the next business day after the settlement date.</p> <p>2. What are the penalties for the investors for late filing or no filing According to HKMA/CMU, it is not stated in the rule there is any penalty imposed by CCDC/SHCH</p>
<p>3. SHCH Failed Settlement Form 银行间市场清算所股份有限公司 债券交易结算失败备案表</p>	<p>1. Who needs to be involved and responsible for this report? The BCMM and the Investor will need to complete, sign and return to SHCH no later than 17:00 (if settlement yet affirmed by CMU) or to CMU Member no later than 14:00 (if settlement affirmed by CMU) of the next business day after the settlement date. Investor may file and submit the form in English using the English version of the form provided by SHCH</p>

	<p>2. What are the penalties for the investors for late filing or no filing? According to HKMA/CMU, it is not stated in the rule there is any penalty imposed by CCDC/SHCH.</p>
<p>4. CMU Reporting on Bond Connect Failed Trades</p>	<p>1. Who needs to be involved and responsible for this report? CMU Member (CMU custodian in Hong Kong) will contact its clients to provide reason for the failed trade to complete and return the CMU Reporting on the Bond Connect Failed Trades form no later than 14:00 of the next business day after the settlement date.</p> <p>2. What are the penalties for the investors for late filing or no filing? According to HKMA/CMU, it is not stated in the rule there is any penalty imposed by CCDC/SHCH.</p>

CCDC – Failed Settlement Form

Note: No English version available, the English translation on the form is provided by Citi for reference only

债券交易结算失败备案表

(Report Form of Settlement Failure for Bond Transactions)

结算失败合同情况：(请列明结算失败合同号、结算日、结算双方名称等要素)

Failed Settlement Details: (Please list out Transaction Contract Number, Settlement Date, Settlement Parties Name, etc.)

合同编号或成交编号：Transaction Contract Number (i.e. CFETS Execution ID)

付券方账户全称：Bond Buyer Account Full Name 收券方账户全称：Bond

Seller Account full Name 业务类别：Business Type 结算日期：Transaction Date

结算失败具体原因说明：(请说明造成款不足或券不足的具体原因)

Provide clear reason(s) for settlement failure e.g. insufficiency of Funds, deficiency of Bonds etc.

经协商，交易各方一致同意就上述结算失败行为达成谅解，并做如下处理：

After negotiation, the parties to the transaction unanimously agreed to reach an understanding on the above settlement failure, with below subsequent actions

备案单位名称及业务部门公章：

Filing Unit Name & Business seals:

业务负责人签字：(必填)

联系电话：(必填)

年 月 日

Responsible Person Signature: (Compulsory)
Month Day

Contact Number: (Compulsory)

Year

备案单位名称及业务部门公章：

Filing Unit Name & Business seals

业务负责人签字：（必填）

联系电话：（必填）

年 月 日

Responsible Person Signature: (Compulsory)

Contact Number: (Compulsory)

Year

Month Day

注 1. 备案单位若涉及 3 家及以上机构，请按上述格式增加填写单位名称、业务负责人签字并加盖业务部门公章 2. 请按要求完整填写表格内容。

3. 中央结算公司联系电话：010-88170123；传真：010-88086355

Note: 1. If there involve three or more filing units, please follow above format and add the relevant Filing

Unit Name & Business Seals, Responsible Person Signature of the additional organization 2 Please complete the form and content in full as per requested

3. CCDC Contact Number : 010-88170123 ; Fax : 010-88086355