

# China Domestic Payment System Upgrade

Dear HSBCnet User,

To improve processing efficiency and payment service, HSBC China is planned to upgrade existing domestic RMB payment system from **5Nov16 (Sat)** to **6Nov16 (Sun)**. From 7Nov16, HSBC China will use new system to provide better service for domestic payment and collections service, eg:

- Extended Cutoff Time for Domestic Payment
- Optimized ACH Credit Processing Workflow
- HSBCnet Online Credit/Debit E-Advice
- Improved Straight-Through-Processing Logic (STP)

## Cutoff Time Changes for Domestic Payment

### Normal Payment

- Extended cutoff time to 18:00 pm for SMPS and CNAPS-BEPS for those STP transactions and other cutoff time keep unchanged.
  - ✓ SMPS: Shanghai In-City Processing System
  - ✓ CNAPS-BEPS: Low value payment system for payment amount no more than 50,000 CNY
  - ✓ CNAPS-HVPS: High value payment system for payment amount more than 50,000 CNY

Working Day	指令类型	Before Upgrade	After Upgrade
Default	NONE-STP/Paper Instructions	15:00 pm (Value Day)	15:00 pm (Value Day)- unchanged.
	E-Channel STP instructions	15:50 pm (Value Day)	SMPS/CNAPS-BEPS:18:00 PM (*Remark) CNAPS-HVPS:15:50 PM (Value Day) - unchanged
Remark	<ul style="list-style-type: none"><li>✓ As for HSBC in-house transfer, the cutoff time for STP instructions is 19:30 pm</li><li>✓ System cutoff time for SMPS and CNAPS-BEPS will be 16:00 pm</li><li>✓ If instructions sent to SMPS/CNAPS-BEPS before 16:00 pm, the beneficiary bank will credit the fund on value day.</li><li>✓ If instructions sent to SMPS/CNAPS-BEPS after 16:00 pm, the beneficiary bank will credit the fund on value day or next working day, depending on beneficiary bank's arrangement.</li></ul>		

### Inward Payment

- Support inward payment processing in none-working day

Instructions Type	Before Upgrade	After Upgrade
STP Instructions ( Working Day )	17:30 pm	19:30 pm
STP Instructions ( None Working Day )	Next Working Day	19:30 pm (*remark)
None STP Instructions ( Working Day )	17:30 pm	17:30 pm (unchanged)
None STP Instructions ( None Working Day )	Next Working Day	Next Working Day(unchanged)
Remark	As system date has already switched to next working day, inward payment processed on none working will be immediately credit to account, but value on next working day as well as accrued interest.	

## Changes for ACH Credit Service

ACH Credit Service refers to the one-debit-multi-credit domestic payment, which is normally used for RMB payroll or reimbursement

Under the new processing work flow, as long as the individual payment instruction has been processed, it will immediately send to beneficiary bank without any dependency on other instructions in the ACH payment file.

	Existing Workflow (Value Day = T day)	New Workflow (Value Day = T day)
Steps	<ol style="list-style-type: none"> <li>1) When receiving ACH file, system will process the individual instructions in ACH file, including necessary manual process (eg instructions with none standard bank name)</li> <li>2) When all instructions status in one ACH file have been processed, system will then debit the lump-sum amount and service charge.</li> <li>3) After successfully debit the lump sum amount, payment instructions will immediately send to beneficiary banks for processing</li> <li>4) Branch Operation team/RM will inform customer for those cancelled instructions on T or T+1 days for customer reconciliation.</li> </ol>	<ol style="list-style-type: none"> <li>1) When receiving ACH file, system will immediately debit lump sum payment amount from customer's account</li> <li>2) After that, system will start to process individual instruction.               <ol style="list-style-type: none"> <li>a) If payment instruction could be auto processed, it will be immediately sent to beneficiary bank.</li> <li>b) If payment instruction could not be auto processed (eg, none-standard bank name), it will sent to beneficiary bank after amendment by bank operation team.</li> <li>c) If payment instruction is required to "Cancel", operation team will reject this instructions based on customer instruction.</li> </ol> </li> <li>3) When all instructions have been processed, service charge will be collected for those successfully processed transactions.</li> <li>4) System will generate bulk return payment and credit customer account from 17:30 pm per hour til 20:30 pm. The bulk return payment amount is the lump sum amount for those transaction rejected by HSBC bank.               <p>*Note: System will generate bulk return on 17:30pm/18:30pm/19:30pm and 20:30 pm separately. If the instructions is processed after 17:30pm, bulk return will be generated more than once on customer account.</p> </li> <li>5) System will End of Day (EOD) report to client before T+1 8: 00 am for customer reconciliation.</li> </ol>
Example	<p>ACH payment file with RMB 100m. However some transactions with total CNY 10m could not be processed. HSBC will cancelled those transaction (CNY 10m ) first and then system will debit the lump sum amount as CNY 90 m.</p>	<p>ACH payment file with RMB 100m. However some transactions with total CNY 10m could not be processed. System will debit the lump sum amount as CNY 100m first. CNY 10m will credit back to customer account after 17:30 pm.</p>

## **HSBCnet Credit/Debit Online E-Advice**

- E-advice information will send to HSBCnet when transaction completed. You can logon HSBCnet to enquiry transaction via AI functions first. You can click the hyperlink under transaction amount to retrieve Credit/Debit Online E-Advice
- HSBCnet Online E-advice apply to both Domestic and International Payment.
- HSBCnet Online E-advice doesn't apply to ACH Credit Payment, return payment and other system auto generated transactions. Meanwhile, service charge of domestic payment will not display in the E-advice.
- You can print out the e-advice or save as PDF format.

## **Enhanced Straight Through Processing Logic (STP)**

- New system will try its best to auto enriched the beneficiary bank name via its self-learning database, if the payment instruction contain none-standard bank name. Enhanced STP logic will improve the processing efficiency and minimize operation's manual involvement.
- You can directly input the payment purpose in transaction detail to realize STP processing for payment to individual person, if the amount more than 50,000 CNY. The key words for payment purpose include : 工资/薪金/薪酬/报销/奖金/保险/SALARY/BONUS/REIMBURSEMENT/ RENTAL / INSURANCE
- You need to input keywords /NSTP/ in the payment detail, if you have special arrangement for the payment instructions (such as separate charge account, etc) to stop STP processing.

If you have any questions, please kindly contact your Client Service Manager or Relationship Manager.

**HSBC Bank (China) Company Limited**  
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