CIPS

Business Operational Guidelines of Cross-border Interbank Payment System Part 1: General Requirements

CIPS Co., Ltd.

2026

Contents

Chapter I General Provisions

1.1 Document Structure and Content Overview

The Business Operational Guidelines of Cross-border Interbank Payment System consist of the following six parts:

— Part 1: General Requirements

— Part 2: Business Preparation

— Part 3: Operating Schedule

— Part 4: Account and Liquidity Management

— Part 5: Business Processing

— Part 6: Billing Management

Part 1 mainly defines the general and fundamental requirements that all participants should comply with. This part covers basic principles including the purpose and basis, scope of application, operator and responsibilities, classification and management of participants, and fund custody relationship. The provisions of this part apply to all business processes and operational activities of CIPS, and serve as the basis for the other parts of the Operational Guidelines.

1.2 Purpose and Basis

In order to regulate business activities conducted through Cross-border Interbank Payment System (hereinafter referred to as CIPS), prevent payment risks, protect the legitimate rights and interests of the CIPS

Operator and participants, and clarify the responsibilities of all parties, these Guidelines are formulated in accordance with the Business Rules of Cross-border Interbank Payment System (hereinafter referred to as the "Business Rules") and other relevant provisions.

1.3 Scope of Application

These Guidelines apply to the CIPS Operator and CIPS participants. Where a matter has been expressly provided for in the Business Rules but is not further detailed in these Guidelines, the relevant provisions of the Business Rules should apply directly.

1.4 Definitions

CIPS

Cross-border Interbank Payment System (CIPS) provides fund clearing and settlement services for its participants' cross-border and offshore RMB payment transactions, financial market businesses, and other businesses approved by the People's Bank of China.

HVPS

The High Value Payment System (HVPS) is a payment system developed and established by the People's Bank of China to meet payment and clearing needs by using modern computer technology and communication networks. HVPS processes high-value credit transfer transactions and urgent low-value credit transfer transactions between interbank and intrabank entities in the same city and in different locations, credit transfer transactions of the People's Bank of China system, and instant transfer transactions. CIPS completes operations such as funding (pre-funding), fund increase (pre-funding increase), fund reduction (pre-funding reduction), and zeroing through HVPS.

CIPS Business

CIPS business refers to the business that CIPS participants may conduct through CIPS, mainly including payment business and information business.

CIPS Code

A CIPS code is the unique identification number of a CIPS participant within CIPS. CIPS Co., Ltd. generates and assigns aCIPS code to a participant based on the relevant information submitted by the participant during the application session.

CIPS Account

A CIPS account is an account opened with CIPS by a CIPS direct participant. Such account does not accrue interest and should not be overdrawn, and the end-of-session (end-of-day) balance must be zero.

CIPS Direct Participant

A CIPS direct participant refers to a domestic or foreign institution that has opened an account with CIPS, has a CIPS code, and directly conducts business through CIPS. CIPS Co., Ltd. should open CIPS accounts for direct participants in the banking sector, and should open CIPS accounts for direct participants in the financial market infrastructure sector according to business requirements.

CIPS Indirect Participant

A CIPS indirect participant refers to a domestic or foreign institution that has not opened an account with CIPS but has a CIPS code, and entrusts a direct participant to conduct business through CIPS.

Fund Custodian Bank

A fund custodian bank refers to a direct participant in the banking sector that provides CIPS account funding and related liquidity services for other direct participants (hereinafter referred to as "entrusting parties").

Real-time Gross Settlement

Real-time Gross Settlement refers to a settlement mechanism under which payment instructions, transfer instructions, or other obligations are settled in real time on a transaction-by-transaction basis.

Designated-time Net Settlement

Designated-time Net Settlement refers to a settlement mechanism under which settlement is conducted on a net basis at the end of a predetermined settlement cycle.

Funding (Pre-funding)

Funding (Pre-funding) refers to the operation whereby, within the prescribed time during the business preparation session (before the nighttime processing session), a direct participant funds, through HVPS, into its own CIPS account or the CIPS account of an entrusting party, the minimum amount required by CIPS Co., Ltd.

Fund Increase (Pre-funding Increase)

Fund Increase (Pre-funding Increase) refers to the operation whereby, within the prescribed time during the daytime/nighttime processing session, a direct participant increases, through HVPS, the balance of its own CIPS account or the CIPS account of an entrusting party.

Fund Reduction (Pre-funding Reduction)

Fund Reduction (Pre-funding Reduction) refers to the operation whereby, after a direct participant has successfully completed funding (pre-funding), it initiates a fund transfer through CIPS to the corresponding HVPS clearing account within the prescribed time during the daytime/nighttime processing session, so as to reduce the balance of its CIPS account.

Zeroing

Zeroing refers to the transfer of funds whereby, at the end-of-session or end-of-day, the balance of a direct participant's CIPS account is transferred back to the HVPS clearing account that originally initiated the funding pre-funding, so as to achieve zero-balance management of the CIPS account.

Minimum Funding Amount

The minimum funding amount refers to the minimum liquidity requirement for a direct participant to fund into its CIPS account, so as to ensure that the fund clearing needs of real-time gross settlement business are met at the beginning of daytime and nighttime business.

Reserved Fund

Reserved Fund refer to funds frozen, according to an approved amount, in the CIPS account of a direct participant participating in designated-time net settlement, which are used as a guarantee for fund clearing in designated-time net settlement business.

Initial Account Balance Requirement

The initial account balance requirement means that at the beginning of daytime and nighttime business, the balance funded into the CIPS account by a direct participant should meet the minimum funding amount. Where a direct participant participates in designated-time net settlement, the initial account balance should meet the requirements for both minimum funding amount and earmarked funds.

Batch Business

Batch business refers to the business whereby a direct participant sends payment instructions to CIPS in batch packaging form to process customer payment business and other relevant business for itself, the indirect participants with which it has established business relationships, and their agents.

Bilateral Transaction Frozen Amount

The bilateral transaction frozen amount refers to the corresponding amount frozen in the CIPS account of the paying direct participant initiating the business, for the purpose of payment of that business, during the processing of settlement business such as Delivery versus Payment or Payment versus Payment initiated by a direct participant in the banking sector.

Total Payable Amount for CCP (Central Counterparty) Transactions

The total payable amount for CCP (Central Counterparty) transactions refers to the parameter set for the CIPS account of the Central Counterparty during the process of handling the Central Counterparty fund settlement business. The parameter value is the sum of all payable business amounts of that paying party in the central counterparty fund settlement business.

1.5 Operator and Responsibilities

Cross-border Interbank Payment System Co., Ltd. (CIPS Co., Ltd.) is a corporate legal entity approved by the People's Bank of China to provide cross-border RMB clearing and settlement services for domestic and foreign participants. It is subject to the supervision and guidance of the People's Bank of China over its business operations in accordance with the law. It is the Operator of CIPS and is responsible for the construction and operation of CIPS.

1.6 Classification and Management of Participants

CIPS participants include direct participants and indirect participants.

CIPS Co., Ltd. is responsible for formulating relevant participant management measures to specify the requirements for the admission, change and exit management of CIPS participants, participant reporting matters, participant risk management, and other related matters. Participants should conduct CIPS business in accordance with the participant management measures.

1.7 Fund Custody Relationship

An overseas institution applying to become a direct participant may entrust an eligible direct participant as its fund custodian bank.

CIPS Co., Ltd. is responsible for formulating fund custodian bank management measures to regulate the admission and exit of fund custodian banks, the management of fund custody relationships, and other related matters. A fund custodian bank should provide funding and related liquidity services for other direct participants in accordance with the fund custodian bank management measures and these Guidelines.

1.8 Formulation and Revision of the Guidelines

These Guidelines stipulate the relevant processes and operating methods that participants should comply with when participating in CIPS business. By participating in CIPS business, participants are deemed to have agreed to comply with all requirements of these Guidelines and any revisions thereto.

These Guidelines should be formulated by CIPS Co., Ltd. Where any procedures or operating methods are added or changed, these Guidelines will be revised as appropriate and issued after being submitted to the People's Bank of China.

1.9 Information Security and Privacy Protection

Participants should strictly comply with applicable laws, regulations, and regulatory requirements relating to data security and personal information protection, fulfill data protection obligations, and ensure data security. Participants should establish and maintain effective data security protection measures, properly safeguard the business data and information, relevant materials, and other data and information generated in the course of providing services that they maintain, store, and process in relation to CIPS, other participants, and payer and payee customers, and ensure that such data and information are not illegally stolen, used, transferred, or disclosed, and do not infringe upon personal privacy or any other legitimate rights and interests of any third party. When using or processing data or information, participants should obtain the prior consent and authorization of the relevant subjects of rights, and should process such data or information within the scope of such authorization. Where the data or information obtained is required to be provided across borders, participants should comply with the relevant provisions on cross-border data transfer under applicable laws and regulations. In the event of a data security incident or leakage, tampering, or loss of personal information, participants should immediately take corrective or remedial measures, promptly notify CIPS Co., Ltd., and report to the competent authorities.

CIPS Co., Ltd. should strengthen information security management, establish and improve its internal data security management systems, properly safeguard participants' business data and information, relevant materials, and other data and information generated in the course of providing services, and use such data and information only for the purposes of reference, development or promotion of CIPS business, and risk control. CIPS Co., Ltd. should establish and maintain effective security measures to ensure that such data and information are not illegally stolen or used, and that personal privacy is not infringed upon.

1.10 Emergency Response

Direct participants should establish and improve the emergency response mechanism for system failures and emergencies, strengthen the collection, analysis, reporting, and early warning of system operation abnormality and emergency information, ensure the safe and stable operation of the system, and ensure business continuity, data integrity, and the security of funds and information. Direct participants should establish backup systems related to CIPS, conduct regular switchover drills, and ensure that backup systems can be quickly deployed after an emergency occurs. When a failure occurs in CIPS or in the internal system of a direct participant, both parties should promptly notify each other, cooperate in troubleshooting, and resume business processing as soon as possible.

Chapter II Supplementary Provisions

The relevant application forms, registration forms, and change forms required for the admission, change, and exit of participants should be formulated and made publicly available by CIPS Co., Ltd. Participants may obtain such forms through channels such as the official website of CIPS Co., Ltd. or the CIPS global unified service platform.

These Guidelines should be interpreted by CIPS Co., Ltd.

These Guidelines should come into force as of the date of promulgation. The original Business Operational Guidelines of Cross-border Interbank Payment System is hereby repealed.

Business Operational Guidelines of Cross-border Interbank Payment System
Part 2: Business Preparation

CIPS Co., Ltd.

2026

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Chapter I Overview

1.1 Document Structure and Content Overview

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Part 2 mainly clarifies the business preparation processes and requirements for the initial access of direct participants, changes to business permissions, information maintenance, and other related matters. The requirements set out in this part are the prerequisites for direct participants to commence business.

Chapter II Business Preparation

2.1 Initial Access of Direct Participants

2.1.1 System Preparation

An applicant should complete system access within 12 months after signing the participant service agreement with CIPS Co., Ltd. For the detailed workflow, please refer to the Technical Access Guide of Cross-border Interbank

Payment System (Q/CIPS 0002):

(1) Apply for business permissions according to its own business needs, and submit the Business Permission Change Form for Direct Participants of Cross-border Interbank Payment System to CIPS Co., Ltd. prior to acceptance.

(2) Complete internal system transformation and interface development according to the latest message standards of the CIPS.

(3) Complete internal testing and apply to CIPS Co., Ltd. for joint testing and acceptance.

(4) Complete relevant technical and business training.

(5) Complete system access.

If the applicant is unable to complete system access as scheduled for justified reasons, it should make a written request to CIPS Co., Ltd. at least 1 month in advance and reach an agreement on changes to the access plan; otherwise, the applicant should re-apply for admission according to the admission process for direct participants.

2.1.2 Acceptance

CIPS Co., Ltd. should arrange for the applicant to conduct joint testing. After completing the joint testing, the applicant should submit the following materials to CIPS Co., Ltd. for acceptance:

(1) Acceptance application form.

(2) Overall plan of the applicant's payment system, including system architecture, hardware and software configuration, and network topology, etc.

(3) Operation and maintenance management plan for the applicant's payment system, including business continuity plans (setting out recovery strategies and emergency response plans for major risks that may affect business continuity).

(4) The locations and ownership of the data production center and backup center of the applicant's payment system.

For special circumstances such as multiple applicants sharing the same system or infrastructure, CIPS Co., Ltd. will appropriately adjust the acceptance content and methods according to the actual access plan of the applicant.

After completing the review of the acceptance application, CIPS Co., Ltd. should conduct access acceptance through both on-site and off-site methods. For the acceptance content, please refer to the Technical Access Guide of Cross-border Interbank Payment System (Q/CIPS 0002).

Based on the acceptance results, CIPS Co., Ltd.

should issue an acceptance report to the applicant. If the applicant fails the initial acceptance, it should make rectifications according to the acceptance feedback and resubmit the application for acceptance. If the applicant still fails to pass acceptance more than three months after the initial acceptance begins, it should re-apply for admission in accordance with the admission process for direct participants.

2.1.3 Effectiveness

After the applicant passes the acceptance, CIPS Co., Ltd. should notify the applicant in writing of its access to CIPS, including its business permissions, minimum funding amount, HVPS indirect participant code, CIPS code, effective date, etc. If the applicant is an overseas direct participant and has a CIPS account, CIPS Co., Ltd. should also notify its fund custodian bank.

CIPS Co., Ltd. should complete the system settings for the new direct participant, including assigning the CIPS code, opening an account, activating business permissions, and setting the effective date. The admission of the direct participant should automatically take effect on the specified date.

2.2 Changes to Business Permissions of Direct Participants

2.2.1 Application

Direct participants may apply to CIPS Co., Ltd. to add or cancel business permissions according to business needs. Where business permissions need to be changed, the applicant should submit the Registration Form for Business Permission Change of Direct Participants of Cross-border Interbank Payment System to CIPS Co., Ltd. Participants applying for new business permissions should have business qualification and risk management capability appropriate to the new business permissions.

2.2.1.1 Batch Business

Direct participants in the banking sector applying to add message access for batch business should meet the following conditions and submit supporting materials to CIPS Co., Ltd.:

(1) It has had access to CIPS for no less than three months, and has not committed any violation listed in the participant conduct management measures within the past three months.

(2) It has supporting business arrangements for batch business in place.

(3) It has no business scenarios that fail to meet the

requirements of financial regulatory authorities.

(4) It meets other management requirements of CIPS Co., Ltd.

2.2.2 Review

After receiving the complete application materials from the applicant, CIPS Co., Ltd. should complete the review within five business days and notify the applicant of the review results.

2.2.3 Acceptance

For those that apply for adding business permissions and meet the conditions, CIPS Co., Ltd. should conduct acceptance of the new business functions for the applicant. Based on the acceptance results, CIPS Co., Ltd. should issue an acceptance report to the applicant. If the applicant fails the initial acceptance, it should make rectifications promptly based on the acceptance issues, and may apply for acceptance again after meeting the acceptance requirements. If the applicant still fails to pass acceptance more than three months after the initial acceptance begins, it should resubmit the application for business permission change.

2.2.4 Effectiveness

CIPS Co., Ltd. should determine the go-live list for new permissions based on the review and acceptance results, and complete the system settings for business permissions. The permission settings should take effect immediately upon completion.

2.3 Changes to Participants' Basic Information

The basic information that a participant may apply to change includes its CIPS code, Chinese institution name, English institution name, HVPS direct participant code (where the HVPS direct participant code of a CIPS direct participant changes, it should promptly contact CIPS Co., Ltd. to handle the change procedures, so as to avoid affecting business processing), access mode, etc. If a direct participant changes its information, it may directly submit the application form for Basic Information Change of Participants of Cross-border Interbank Payment System affixed with its official seal to CIPS Co., Ltd. through channels such as the CIPS global unified service platform or email. If an indirect participant changes its information, it should entrust its designated direct participant to submit the application on its behalf. After receiving the complete application materials from the applicant, CIPS Co., Ltd. should complete the change on the change date agreed with the direct participant.

Business Operational Guidelines of Cross-border Interbank Payment System
Part 3: Operating Schedule

CIPS Co., Ltd.

2026

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Chapter I Overview

1.1 Document Structure and Content Overview

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Part 3 mainly defines the operating schedule of Cross-border Interbank Payment System (hereinafter referred to as CIPS). Its core content is based on Beijing Time (GMT+8) and describes the complete operating cycle of CIPS within one system business day, including the sessions, main tasks and time points of daytime and night operations. This part provides a complete time framework for participants to understand the system's full-day operating rhythm and arrange the time windows for various operations, which helps participants develop a systematic understanding of the business logic.

1.2 System Operating Calendar and Time

CIPS operates according to Beijing Time (GMT+8). At the end of each year, CIPS Co., Ltd. updates the system business calendar for the next year and notifies direct participants. Direct participants should update their internal system calendars according to the notification.

The operating time of CIPS is set as 5×24 hours + 4 hours, with the system running around the clock on statutory business days. Meanwhile, it supports external services during domestic holidays and on overseas business days, and the specific operating schedule should be subject to the public announcement of CIPS Co., Ltd. System operations are divided into daytime sessions and night sessions. The operating time of the daytime session on a standard system business day is from 8:30 to 17:30 on the current day (of which, 8:30-9:00 is the business preparation period, and 17:00-17:30 is the end-of-session processing time for zeroing, etc.). The operating time of the daytime session on the first system business day after a system holiday (hereinafter referred to as Day S) is brought forward to 4:30 on the current day (of which, 4:30-5:00 is the business preparation period). The operating time of the night session is from 17:00 on the current day to 8:30 on the next day (of which 8:00-8:30 is the end-of-day processing time for zeroing, etc.). The CIPS operating schedule consists of seven states: Business Preparation, Daytime Processing, Daytime Business Cut-off, End-of-session Processing, Nighttime Processing, Night Business Cut-off, and End-of-day Processing. See the table below for the specific operating schedule:

CIPS Operating Schedule Table

	Time	Session	Task Overview
Daytime Operation	8:30-9:00 (After the end-of-day processing of the previous system business day of Day S - 5:00 on Day S)	Business Preparation	Switch the system business day, apply parameters, and accept funding.
	9:00-17:00 (5:00-17:00 on Day S)	Daytime Processing	Daytime business processing; Stop accepting batch business and central counterparty fund settlement business, and start accepting pre-funding for night business at 16:00; Send the daytime business cut-off warning at 16:30.
	17:00	Daytime Business Cut-off	Stop accepting daytime business; Enter night business processing, and concurrently conduct End-of-session Processing.
	17:00-17:30	End-of-session Processing	Complete daytime zeroing, reconciliation, etc.
Night Operation	17:00 - 8:00 on the next day	Nighttime Processing	Night business processing; When the HVPS enters the daytime of the next system business day, stop accepting pre-funding, pre-funding increase, and pre-funding reduction, and conduct the automatic conversion of pre-funding into funding; Stop accepting batch business and central counterparty fund settlement business at 7:00 on the next day; Send the nighttime business cut-off warning at 7:30 on the next day.
	8:00 on the next	Nighttime	Stop accepting night business.

	day	Business Cut-off	
	8:00-8:30 on the next day	End-of-day Processing	Complete nighttime zeroing, reconciliation, etc.

CIPS Co., Ltd. adopts parameterized management for the CIPS operating schedule and timing task triggering time points, and may adjust the parameters according to business management or operating needs, and notify all direct participants of the updated operating schedule and timing task parameters.

CIPS switches the operating schedule state at the set time point and sends the "System Status Change Notification" message (cips.801) to all direct participants. Direct participants that have not received the notification may apply to CIPS for reissuance of the "System Status Change Notification" message (cips.801).

Chapter II Daytime Operating Schedule

2.1 Business Preparation

After the completion of the end-of-day processing of the previous system business day, CIPS switches the system business day, enters the business preparation session of the current system business day, and sequentially completes tasks such as archiving and initializing account historical data, giving effect to participant addition or change information, giving effect to public parameters, sending participant digital certificate expiration reminder notifications, generating business statistics for the previous business day, and giving effect to reserved fund. During the Business Preparation on the first system business day of the month, CIPS completes participant billing and sends the billing list.

After the system completes the business day switch, all direct participants should complete the daytime funding before 9:00 on the current system business day (before 5:00 on Day S).

2.2 Daytime Processing

At 9:00 on each system business day (5:00 on Day S), CIPS enters the Daytime Processing session. For direct participants whose CIPS account balance meets the initial account balance requirement, CIPS updates their funding status to "Funding Successful", and direct participants with successful funding can conduct business normally within the scope of business permissions. Under the daytime status, direct participants may adjust the liquidity of their CIPS accounts.

After the funding status update is completed, CIPS issues the "Funding Status Whitelist Broadcast" message (cips.374) to all participants, broadcasting the current funding status of all participants. Under the daytime status, when a participant funds successfully, CIPS issues the "Funding Status Whitelist Broadcast" message (cips.374) to all participants, broadcasting the current funding status.

At 9:10 on the designated system business day, CIPS automatically completes the deduction for eligible direct participants according to the billing list amount.

From 9:00 to 14:00, CIPS accepts direct participants participating in the Designated-time Net Settlement to declare the bilateral netting originator limit for the next system business day, including the originating limit and the receiving limit.

At 14:00, CIPS gives effect to the bilateral netting originator limit for the next system business day and notifies the relevant direct participants.

From 15:00 to 7:30 on the next day, direct participants participating in the Designated-time Net Settlement report the reserved fund value for the next system business day according to the notification message.

At 16:00, CIPS stops accepting daytime batch business and central counterparty fund settlement business.

From 16:00 to 17:00, direct participants conduct pre-funding.

At 16:30, CIPS sends the Daytime Business Cut-off warning to all direct participants.

2.3 Daytime Business Cut-off

At 17:00, CIPS enters the Daytime Business Cut-off, stops accepting daytime payment business, and sends the "System Status Change Notification" message (cips.801) to all direct participants. After the completion of the Daytime Business Cut-off processing, CIPS enters the End-of-session Processing session.

2.4 End-of-session Processing

After the Daytime Business Cut-off, CIPS enters the Nighttime Processing session and concurrently conducts the End-of-session Processing. For details, please refer to Chapter IV of this part.

Chapter III Night Operating Schedule

3.1 Nighttime Processing

At 17:00, the system enters the Nighttime Processing session. For direct participants whose CIPS account balance meets the initial account balance requirement, the system updates their funding status to "Funding Successful", and direct participants with successful funding can conduct business normally within the scope of business permissions. Under the night status, direct participants may adjust the liquidity of their CIPS accounts.

After the funding status update is completed, CIPS issues the "Funding Status Whitelist Broadcast" message (cips.374) to all participants, broadcasting the current pre-funding status of all participants. Under the night status, when a participant pre-funds successfully, CIPS issues the "Funding Status Whitelist Broadcast" message (cips.374) to all participants, broadcasting the current pre-funding status.

When the HVPS enters the daytime of the next system business day, CIPS stops accepting pre-funding, pre-funding increase, and pre-funding reduction, and automatically completes the operation of converting pre-funding into funding.

At 7:00 on the next day, CIPS stops accepting night batch business and central counterparty fund settlement business.

At 7:30 on the next day, CIPS sends the Nighttime Business Cut-off warning to all direct participants.

3.2 Nighttime Business Cut-off

At 8:00 on the next day, CIPS enters the Nighttime Business Cut-off, stops accepting night payment business, and sends the "System Status Change Notification" message (cips.801) to all direct participants. After the completion of the Nighttime Business Cut-off processing, CIPS enters the End-of-day Processing session.

3.3 End-of-day Processing

After the Nighttime Business Cut-off, CIPS enters End-of-day Processing. After the completion of the End-of-day Processing, CIPS switches to the Business Preparation status of the next system business day. For details, please refer to Chapter IV of this part.

Chapter IV End-of-session Processing, End-of-day Processing and Year-end Processing

4.1 End-of-session Processing

After the Daytime Business Cut-off, the system enters the End-of-session Processing session. In the End-of-session Processing session, the system automatically returns queued settlement business and payment business in pending settlement status, and conducts account zeroing operations. After the zeroing operation is completed, CIPS performs reconciliation with HVPS and sends participant reconciliation messages in sequence.

1. Return processing

After entering the End-of-session Processing session, CIPS automatically conducts return processing for businesses still in queued status. For financial market businesses initiated by direct participants in the banking sector that are still in pending settlement status, the system conducts fund unfreezing processing.

2. Zeroing operation

After the system returns the queued businesses in the End-of-session Processing session, the funds in the direct participant's CIPS account will be transferred back to the HVPS clearing account that originally initiated the funding (pre-funding), until the HVPS enters the End-of-day Processing session.

3. Reconciliation with HVPS

HVPS sends the "High-value Business Summary Checking" message (hvps.711) to CIPS, and CIPS conducts reconciliation processing upon receipt. If the reconciliation results match, the system continues with subsequent operation processing. If the reconciliation results do not match, CIPS Co., Ltd. conducts accounting adjustments in accordance with the Business Processing Measures of the High Value Payment System.

4. Reconciliation with Direct Participants

After completing reconciliation with HVPS, CIPS sends the "Fund Adjustment Checking" message (cips.701) and the "Cross-border Business Summary Checking" message (cips.711) to direct participants in the banking sector; and sends the "Fund Adjustment Checking" message (cips.701) and the "FMI Cross-border Business Checking" message (cips.716) to direct participants in the financial market infrastructure sector. After receiving the reconciliation messages, direct participants should conduct daytime accounting checks. If there are any errors in the check, they should promptly apply to CIPS for checking the accounting details. If the original message information is needed, the direct participant may apply to CIPS to download the original message for checking and correction until the reconciliation is successful.

During the End-of-session Processing session, if a direct participant cannot receive CIPS accounting checking information normally, it may initiate a reconciliation application message for a specified date to CIPS on the current day and within the data retention period.

4.2 End-of-day Processing

After the Nighttime Business Cut-off, CIPS enters the End-of-day Processing session. In the End-of-day Processing session, the system automatically returns queued settlement business and payment business in pending settlement status, and conducts account zeroing operations. After the zeroing operation is completed, CIPS conducts pre-reconciliation with HVPS and sends participant reconciliation messages in sequence.

1. Return processing

After entering the End-of-day Processing session, CIPS automatically conducts return processing for businesses still in queued status. For financial market businesses initiated by direct participants in the banking sector that are still in pending settlement status, the system conducts fund unfreezing processing.

2. Zeroing operation

After the system returns the queued businesses in the End-of-day Processing session, CIPS transfers the funds in the direct participant's CIPS account back to the HVPS clearing account that originally initiated the funding (pre-funding).

3. Pre-reconciliation with HVPS

CIPS initiates the "High-value Pre-reconciliation Application" message (hvps.718) to HVPS, and conducts reconciliation processing upon receiving the "High-value Pre-reconciliation" message (hvps.716) returned by HVPS. If the reconciliation results match, the system continues with subsequent operation processing. If the reconciliation results do not match, CIPS Co., Ltd. promptly identifies the reasons and conducts accounting adjustments in accordance with the Business Processing Measures of the High Value Payment System.

4. Reconciliation with Direct Participants

After completing pre-reconciliation with HVPS, CIPS sends the "Fund Adjustment Checking" message (cips.701) and the "Cross-border Business Summary Checking" message (cips.711) to direct participants in the banking sector; and sends the "Fund Adjustment Checking" message (cips.701) and the "FMI Cross-border Business Checking" message (cips.716) to direct participants in the financial market infrastructure sector. After receiving the reconciliation messages, direct participants should conduct night accounting checks. If there are any discrepancies, they should promptly apply to CIPS for checking the accounting details. If the original message information is needed, the direct participant may apply to CIPS to download the original message for checking and correction until the reconciliation is successful.

During the End-of-day Processing session, if a direct participant cannot receive CIPS accounting checking information normally, it may initiate a reconciliation application message to CIPS on the current day and within the data retention period.

4.3 Year-end Processing

On the last business day of the year for CIPS, CIPS Co., Ltd. will adjust the business processing time according to the actual situation and notify all direct participants in advance.

If there is a discrepancy in the accounting check during Year-end Processing, direct participants should actively cooperate with CIPS Co., Ltd. to promptly conduct accounting adjustments to ensure successful reconciliation. After the completion of the Year-end Processing, the system enters the Business Preparation for the first business day of the next year.

Business Operational Guidelines of Cross-border Interbank Payment System
Part 4: Account and Liquidity Management

CIPS Co., Ltd.

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Part 4 mainly defines the various requirements and operational processes for account fund management and liquidity management of participants in Cross-border Interbank Payment System (hereinafter referred to as CIPS). The content of this part covers the full life-cycle operations of CIPS accounts, including funding (pre-funding), fund increase (pre-funding increase), fund reduction (pre-funding reduction), and zeroing, as well as the specific requirements for liquidity management mechanisms such as the minimum funding amount, reserved fund, business priority, settlement queue, and balance warning. This part serves as the core basis for ensuring that the payment business can receive timely and sufficient fund settlement.

1.2 Basic Requirements

Direct participants may conduct liquidity management of their CIPS accounts via clearing accounts opened with the People's Bank of China either by themselves or by their fund custodian banks, based on their settlement requirements. This includes methods such as funding (pre-funding), fund increase (pre-funding increase), and fund reduction (pre-funding reduction).

Direct participants that open accounts with CIPS shall also act as HVPS indirect participants, and their affiliated direct participant is CIPS. CIPS account liquidity management is realized through HVPS.

Direct participants shall conduct funding (pre-funding) within the specified time window of each system business day.

If a direct participant fails to meet the initial account balance requirement after entering the daytime/nighttime processing session, it shall not handle any payment business.

The minimum funding amount (pre-funding) for a direct participant is determined by CIPS Co., Ltd. according to the business processing situation of the direct participant.

If a direct participant funds or increases funds to other direct participants other than itself or its entrusting party, through the HVPS, such funds shall be returned.

When a direct participant reduces (pre-funding reduction) its CIPS account balance, the account balance after the fund reduction (pre-funding reduction) shall not be lower than the sum of the minimum funding amount and the reserved fund (if any).

The total amount of pre-funding reduction of a direct participant shall not be greater than the total amount of its pre-funding and pre-funding increase.

If a direct participant conducts a fund reduction (pre-funding reduction) through CIPS to an account other than the corresponding HVPS clearing account, the transaction shall be rejected.

Chapter II Account Fund Management

2.1 Funding

2.1.1 Funding Process

1. After the system completes the business day switch, all direct participants shall complete the daytime funding before 9:00 on the current system business day (before 5:00 on Day S). During domestic holidays and on overseas business days, participants may choose whether to fund according to their own business processing requirements.

Direct participants with HVPS clearing accounts initiate the "Financial Institution Initiated Remittance Business" message (hvps.112) to CIPS through HVPS to fund into their CIPS accounts. For direct participants without HVPS clearing accounts, their fund custodian banks initiate the "Financial Institution Initiated Remittance Business" message (hvps.112) to CIPS through HVPS to fund into their CIPS accounts.

The funding amount of the direct participant shall comply with the requirement of CIPS Co., Ltd. on the initial account balance.

2. The "Financial Institution Initiated Remittance Business" message (hvps.112) initiated by a direct participant through HVPS shall meet the following requirements:

(1) The business type uses A200 (interbank fund transfer), and the business category uses 02126 (other fund transfer).

(2) The receiving clearing bank is filled with the direct participant code of CIPS in HVPS.

(3) The receiving bank is filled with the indirect participant code of the funded direct participant in HVPS.

3. After receiving the "Financial Institution Initiated Remittance Business" message (hvps.112), HVPS checks the receiving clearing bank and the receiving bank. After the

check is successful, it credits the funds to the HVPS clearing account of CIPS and forwards the message to CIPS.

4. CIPS conducts a message validity check on the incoming message from HVPS. The check mainly includes the validity of the clearing date, the paying clearing bank, the receiving clearing bank, the receiving bank, and the relationship between the paying clearing bank and the receiving bank (the paying clearing bank and the receiving bank should be the same institution or have a custodian relationship), and conducts duplicate transaction checks and digital signature verification.

5. After the message check is successful, CIPS credits the funds to the CIPS account of the direct participant, and simultaneously sends the "Fund Adjustment Notification" message (cips.352) to the direct participant. If the funding is made through a fund custodian bank, it simultaneously sends the "Fund Adjustment Notification" message (cips.352) to its fund custodian bank.

6. At 9:00 (5:00 on Day S), CIPS checks the account balances of all Direct Participants. If the funding requirement is met, CIPS changes their funding status to "Funding Successful" and sends the "Account Management Notification" message (cips.358) to the direct participants

with successful funding. If the funding is made through a fund custodian bank, it simultaneously sends the "Account Management Notification" message (cips.358) to its fund custodian bank. Direct participants with successful funding can conduct business normally within the scope of business permissions.

2.1.2 Operation for Failing to Complete Funding within the Specified Time

At 9:00 (5:00 on Day S), if the account balance of a direct participant does not meet the initial account balance requirement, the funding status of the direct participant shall be "Pending Funding". Direct Participants In The "Pending Funding" Status Cannot Conduct Any Payment Business. The direct participant may continue to initiate funding to CIPS until its account balance meets the initial account balance requirement.

2.1.3 Handling of Erroneous Funding

For funding operations initiated by a direct participant to institutions other than itself and those with a custodian relationship, the funds shall be returned by CIPS Co., Ltd. to HVPS.

The return message uses the "Financial Institution Initiated Remittance Business" message (hvps.112), with the business type being A105 (remittance return) and the business category being 02108 (remittance return).

2.2 Fund Increase

Direct participants in the "Funding Successful" status may increase their CIPS account balances through fund increase. The fund increase can be used to release queued business or increase the liquidity of the direct participant.

2.2.1 Fund Increase Process

The fund increase process is the same as the funding process.

2.2.2 Handling of Erroneous Fund Increase

The handling of erroneous fund increase is the same as the handling of erroneous funding.

2.3 Fund Reduction

Direct Participants in the "Funding Successful" status may reduce their account balances under the condition of sufficient liquidity. The specific process is as follows:

1. The direct participant initiates "Fund Reduction Application" message (cips.350) to CIPS, applying to reduce its CIPS account balance.

2. CIPS conducts a validity check on the received application message. The check mainly includes the status of the initiating direct participant and the fund reduction amount, and conducts duplicate transaction checks and digital signature verification. The fund reduction amount

shall be less than or equal to the available account balance (available account balance = CIPS account balance of the initiating direct participant - bilateral transaction frozen amount - total payable amount for CCP (Central Counterparty) transactions - minimum funding amount - reserved fund). If the check is not successful, CIPS shall reject it.

3. After the check is successful, CIPS debits the CIPS account of the direct participant according to the application message. CIPS returns the "General Processing Confirmation" message (cips.900) to the direct participant, with the status being "Forwarded". And it sends the "Financial Institution Initiated Remittance Business" message (hvps.112) to HVPS. The business type uses A200 (interbank fund transfer), and the business category uses 02126 (other fund transfer). The paying clearing bank is filled with the direct participant code of CIPS in HVPS, the paying bank is filled with the indirect participant code of the CIPS direct participant in HVPS, and both the receiving clearing bank and the receiving bank are filled with the direct participant code of the direct participant or its fund custodian bank in HVPS.

4. After receiving the "Financial Institution Initiated Remittance Business" message (hvps.112), HVPS checks

the receiving clearing bank and the receiving bank. After the check is successful, HVPS credits the HVPS clearing account of the direct participant or its fund custodian bank, and forwards the message to the direct participant or its fund custodian bank, and simultaneously sends the "Clearing Receipt" message (saps.604) to CIPS.

5. When CIPS receives the clearing receipt from HVPS with the status of "Cleared", it sends the "Fund Adjustment Notification" message (cips.352) to the direct participant to inform it of the successful fund reduction. If the funding is made through a fund custodian bank, it will simultaneously notify its fund custodian bank.

2.4 Pre-funding

2.4.1 Pre-funding Process

1. Direct participants with HVPS clearing accounts shall, between 16:00 and 17:00, initiate the "High-value Deferred Settlement Payment Application" message (hvps.115) to CIPS through HVPS to conduct pre-funding into their CIPS accounts. For direct participants without HVPS clearing accounts, their fund custodian banks initiate the "High-value Deferred Settlement Payment Application" message (hvps.115) to CIPS through HVPS to conduct pre-funding into their CIPS accounts.

The pre-funding amount of the direct participant shall comply with the requirement of CIPS Co., Ltd. on the initial account balance.

2. The "High-value Deferred Settlement Payment Application" message (hvps.115) initiated by a direct participant through HVPS shall meet the following requirements:

(1) The business type uses A200 (interbank fund transfer), and the business category uses 02126 (other fund transfer).

(2) The receiving clearing bank is filled with the direct participant code of CIPS in HVPS.

(3) The receiving bank is filled with the indirect participant code of the pre-funded direct participant in HVPS.

(4) The expected settlement date is filled with the next business day of HVPS.

3. After receiving the "High-value Deferred Settlement Payment Application" message (hvps.115), HVPS checks the receiving clearing bank and the receiving bank. After the check is successful, it forwards the message to CIPS.

4. CIPS conducts a message validity check on the incoming message from HVPS. The check mainly includes the validity of the CIPS pre-funding acceptance indicator, the expected settlement date, the paying clearing bank, the

receiving clearing bank, the receiving bank, and the relationship between the paying clearing bank and the receiving bank (the paying clearing bank and the receiving bank should be the same institution or have a custodian relationship), and conducts duplicate transaction checks and digital signature verification. After the check is successful, CIPS returns "Deferred Settlement Payment Receipt" message (hvps.117).

5. After receiving the receipt, HVPS freezes the corresponding amount in the HVPS clearing account of the direct participant or its fund custodian bank, and sends the "Clearing Receipt" message (saps.604) with the processing status of "Frozen and Pending Clearing" to CIPS.

6. After receiving the "Clearing Receipt" message (saps.604) and the business check is successful, CIPS increases the CIPS account balance of the direct participant, and sends the "Fund Adjustment Notification" message (cips.352) to the direct participant. If the pre-funding is made through a fund custodian bank, it simultaneously sends the "Fund Adjustment Notification" message (cips.352) to its fund custodian bank.

7. At 17:00, CIPS checks the account balances of all direct participants. If the funding requirement is met, CIPS changes their funding status to "Funding Successful", and

sends the "Account Management Notification" message (cips.358) to the direct participants with successful funding. If the pre-funding is made through a fund custodian bank, it simultaneously notifies its fund custodian bank. Direct participants with successful pre-funding can conduct business normally within the scope of business permissions.

2.4.2 Operation for Failing to Complete Pre-funding within the Specified Time

At 17:00, if the account balance of a direct participant does not meet the initial account balance requirement, the funding status of the direct participant shall be "Pending Funding". Direct participants In The "Pending Funding" status cannot conduct any payment business. The direct participant shall, after 17:00 and before HVPS enters the daytime of the next system business day, continue to initiate pre-funding to CIPS through HVPS until its account balance meets the initial account balance requirement. Among them, from 17:00 to before HVPS enters the business preparation of the next system business day, the expected settlement date of the "High-value Deferred Settlement Payment Application" message (hvps.115) shall be filled with the next business day of HVPS. From when HVPS enters the business preparation of the next system business day to before it enters the daytime of the next system business day, the expected settlement date of the "High-value Deferred Settlement Payment Application" message (hvps.115) shall be filled with the current business day of HVPS. If the account balance still does not meet the initial account balance requirement, the direct participant shall initiate funding to CIPS through HVPS until the account balance meets the initial account balance requirement.

2.4.3 Handling of Erroneous Pre-funding

For pre-funding operations initiated by a direct participant to institutions other than itself and those with a custodian relationship, CIPS shall reject them.

2.5 Pre-funding Increase

From 17:00 to before HVPS enters the daytime of the next system business day, direct participants in "Funding Successful" status may increase their CIPS account balances through pre-funding increase. Among them, from 17:00 to before HVPS enters the business preparation of the next system business day, the expected settlement date of the "High-value Deferred Settlement Payment Application" message (hvps.115) shall be filled with the next business day of HVPS. From when HVPS enters the business preparation of the next system business day to before it enters the daytime of the next system business day, the expected settlement date of the "High-value Deferred

Settlement Payment Application" message (hvps.115) shall be filled with the current business day of HVPS. The pre-funding increase can be used to release queued business or increase the liquidity of the direct participant.

2.5.1 Pre-funding Increase Process

The pre-funding increase process is the same as the pre-funding process.

2.5.2 Handling of Erroneous Pre-funding Increase

The handling of erroneous pre-funding increase is the same as the handling of erroneous pre-funding.

2.6 Pre-funding Reduction

From 17:00 to before HVPS enters the daytime of the next system business day, direct participants in the "Funding Successful" status may reduce their account balances in case of adequate liquidity. The specific process is as follows:

1. The direct participant initiates the "Pre-funding Reduction Application" message (cips.351) to CIPS, applying for pre-funding reduction of its CIPS account balance.

2. CIPS conducts a validity check on the received application message, mainly covering the status of the direct participant and the pre-funding reduction amount, and conducts duplicate transaction checks and digital

signature verification. The pre-funding reduction amount shall not be greater than the available account balance (available account balance = CIPS account balance of the initiating direct participant - bilateral transaction frozen amount - total payable amount for CCP (Central Counterparty) transactions - minimum funding amount - reserved fund), and shall not be greater than the total amount of pre-funding and pre-funding increase. If the check is not successful, CIPS shall reject it.

3. After the check is successful, CIPS debits the CIPS account of the direct participant according to the application message. CIPS returns the "General Processing Confirmation" message (cips.900) to the direct participant, with the status being "Forwarded", and initiates the "High-value Deferred Settlement Return" message (hvps.118) to HVPS, with the business type using A200 (interbank fund transfer), and the business category using 02126 (other fund transfer). The paying clearing bank is filled with the direct participant code of CIPS in HVPS, the paying bank is filled with the indirect participant code of the CIPS direct participant in HVPS, and both the receiving clearing bank and the receiving bank are filled with the direct participant code of the direct participant or its fund custodian bank in HVPS.

4. After receiving the "High-value Deferred Settlement Return" message (hvps.118), HVPS checks the receiving clearing bank and the receiving bank. After the check is successful, it unfreezes the corresponding amount in the HVPS clearing account of the direct participant or its fund custodian bank, forwards the message to the direct participant or its fund custodian bank, and simultaneously sends the "Clearing Receipt" message (saps.604) to CIPS.

5. When CIPS receives the "Clearing Receipt" message (saps.604) from HVPS with the status of "Returned and Pending Clearing", it sends the "Fund Adjustment Notification" message (cips.352) to the direct participant to inform it of the successful pre-funding reduction. If the pre-funding is made through a fund custodian bank, it will simultaneously notify its fund custodian bank.

2.7 Pre-funding Conversion to Funding

When HVPS enters the daytime of the next system business day, it triggers CIPS to conduct the operation of converting pre-funding to funding, releasing the pre-funding quota of the direct participant, and the CIPS account balance of the direct participant remains unchanged.

2.8 Zeroing

After the daytime business cut-off, in the end-of-session processing session, CIPS returns the payment businesses still in the status of queued for settlement or pending settlement, and initiates the "Financial Institution Initiated Remittance Business" message (hvps.112) to HVPS one by one, transferring the CIPS account balance of each direct participant from the daytime back to the HVPS clearing account that originally initiated the funding.

After the nighttime business cut-off, in the end-of-day processing session, CIPS returns the payment businesses still in the status of queued for settlement or pending settlement, and initiates the "Financial Institution Initiated Remittance Business" message (hvps.112) to HVPS one by one, transferring the CIPS account balance of each direct participant from the night back to the HVPS clearing account that originally initiated the pre-funding.

For the "Financial Institution Initiated Remittance Business" message (hvps.112) initiated by CIPS to HVPS, the business type uses A200 (interbank fund transfer), and the business category uses 02126 (other fund transfer). The paying clearing bank is filled with the direct participant code of CIPS in HVPS, the paying bank is filled with the indirect participant code of the CIPS direct participant in HVPS, and both the receiving clearing bank and the receiving bank are filled with the direct participant code of the direct participant or its fund custodian bank in HVPS.

When CIPS receives the clearing receipt from HVPS with the status of "Cleared", it sends the "Fund Adjustment Notification" message (cips.352) to the direct participant to inform it of the successful zeroing. If the funding (pre-funding) is made through a fund custodian bank, it will simultaneously notify its fund custodian bank.

2.9 Account Information Query

The direct participant may use the "Clearing Account Information Query Application" message (cips.356) to query its CIPS account balance. The query returns the current account balance of the direct participant, balance warning threshold, minimum funding amount for real-time gross settlement, reserved fund, current pre-funding amount, etc.

2.10 Handling of Abnormal Situations

2.10.1 Handling of Not Receiving the Fund Adjustment Notification Message

When the direct participant does not receive the "Fund Adjustment Notification" message (cips.352), it may check with CIPS Co., Ltd. and apply for reissuance of this "Fund Adjustment Notification" message (cips.352).

2.10.2 Handling of Failed Funding (Pre-funding) and Fund Increase (Pre-funding Increase)

After the direct participant or its fund custodian bank initiates funding (pre-funding) or fund increase (pre-funding increase) within the specified time period, if its CIPS account balance does not show a corresponding increase, the direct participant may send the "Business Status Inquiry" message (cips.305) to CIPS to confirm the processing status of operations such as funding in CIPS. If CIPS returns a query result of no such business, the direct participant may contact HVPS to find out the reason for the failure and handle it accordingly. If the direct participant or its fund custodian bank receives the cleared receipt from HVPS, it may contact CIPS Co., Ltd. to find out the reason for the failure and handle it accordingly.

2.10.3 Handling of Failed Fund Reduction (Pre-funding Reduction)

After initiating the fund reduction (pre-funding reduction) within the specified period, if the direct participant's CIPS account balance does not show a corresponding decrease, it may contact CIPS Co., Ltd. to find out the reason for the failure and handle it accordingly. If the available balance of the HVPS clearing account of the direct participant or its fund custodian bank does not show a corresponding increase, it may contact HVPS to find out the reason for the failure and handle it accordingly.

2.10.4 Handling of Abnormal Zeroing

If abnormal zeroing caused by system failures results in the failure of the CIPS account balance of the direct participant to be returned to the HVPS clearing account promptly, CIPS Co., Ltd. will handle it according to the emergency response plan.

Chapter III Liquidity Management

3.1 Minimum Funding Amount

To ensure that direct participants have sufficient liquidity at the beginning of the business to meet the payment needs of real-time gross business, CIPS Co., Ltd. manages the minimum funding amount of direct participants. The amount of funding and pre-funding for the real-time gross business of a direct participant should not be lower than the minimum amount.

1. CIPS Co., Ltd. dynamically determines the minimum funding amount according to the business processing situation.

2. If the determined value needs to be adjusted, CIPS Co., Ltd. will notify the relevant direct participants 14 business days prior to the effective date.

3. The direct participant may apply to CIPS Co., Ltd. to temporarily adjust its minimum funding amount during local holidays and on CIPS business days.

3.2 Reserved Fund

Before the batch business cut-off, the reserved fund are only used as settlement guarantee for the batch business. After the batch business cut-off, CIPS automatically releases the reserved fund to ensure that they can be used for the settlement of other businesses after all batch businesses have been settled.

For direct participants participating in the designated-time net settlement, the determination process of their reserved fund is as follows:

1. The direct participant reports the bilateral netting originator limit

From 9:00 to 14:00, direct participants participating in the designated-time net settlement may, according to their needs, send the "Bilateral Netting Originator Limit Management" message (cips.371) to CIPS to apply for adjusting the bilateral netting originator limit for the next system business day, including the originating limit and the receiving limit.

2. CIPS calculates and issues the debit lower limit

At 14:00, CIPS calculates the participant's debit lower limit according to the bilateral netting originator limit reported by the direct participant, and issues the "Bilateral Netting Originator Limit Notification" message (cips.372) to notify the debit lower limit and the bilateral netting originator limit.

3. The direct participant reports the reserved fund

From 15:00 to 7:30 on the next day, the direct participant sends the "Netting Funding Quota Management" message (cips.373) to CIPS to report the reserved fund for the next system business day according to the debit lower limit issued by CIPS. The reported value should not be lower than the debit lower limit.

If the reported value of the direct participant is less than the debit lower limit, CIPS takes the debit lower limit as the determined value of the reserved fund.

If the direct participant fails to report to CIPS, CIPS compares the debit lower limit of the current day with the newly calculated debit lower limit. If the debit lower limit has not changed, the determined value of CIPS reserved fund remains unchanged; if the debit lower limit has changed, CIPS takes the newly calculated debit lower limit as the determined value of the reserved fund.

4. Effectiveness

The value of the reserved fund takes effect in the business preparation session of the next system business day.

3.3 Net Debit Limit

The net debit limit is determined by the reserved fund of the direct participant, and the CIPS only conducts netting processing for payment instructions within the available quota of the net debit limit. Payment instructions that pass the net debit limit check are included in the real-time netting, and payment instructions that fail the net debit limit check are rejected. Among them, available quota of net debit limit = net debit limit (i.e. reserved fund quota) - submitted unsettled net debit difference - current net debit difference of the current settlement session + current net credit difference of the current session.

3.4 Business Priority

The processing priority of CIPS payment business from high to low is as follows: batch business netting results, settlement business of Delivery versus Payment/Payment versus Payment initiated by financial market infrastructure direct participants, settlement business of Delivery versus Payment/Payment versus Payment initiated by banking direct participants, central counterparty fund settlement business and multi-debit/credit transfer by clearing institutions, and real-time gross settlement business.

3.5 Queue Management

CIPS can conduct queuing processing for payment business according to the business processing priority. Direct participants can manage the queued businesses through measures such as queue inquiry, queue adjustment, queue cancellation, and queue release.

3.5.1 Business Queuing

CIPS sets up two types of settlement queues: normal and urgent. The normal queue contains batch business. The urgent queue contains the following businesses according to the business priority from high to low: netting results, settlement business of Delivery versus Payment/Payment versus Payment initiated by financial market infrastructure direct participants, central counterparty fund settlement business and multi-debit/credit transfer by clearing institutions, and real-time gross settlement business.

After CIPS receives the batch business correctly submitted by a direct participant, it places the business in the normal queue, and submits the netting results to the urgent queue for settlement at the netting session cut-off time.

For netting results submitted for settlement at a designated time, or settlement business of Delivery versus

Payment/Payment versus Payment initiated by financial market infrastructure direct participants, central counterparty fund settlement business and multi-debit/credit transfer by clearing institutions, and real-time gross settlement business correctly submitted by direct participants, CIPS determines whether the business priority of the current business is higher than that of the business at the head of the urgent queue. If its priority is not higher than that of the business at the head of the queue, queuing processing should be conducted according to the business priority. If its priority is higher than that of the business at the head of the queue, CIPS checks whether its CIPS account balance is sufficient. If the balance is sufficient, settlement should be conducted; if the balance is insufficient, queuing processing should be conducted according to the business priority. For the settlement business of Delivery versus Payment/Payment versus Payment initiated by banking direct participants, if the balance is insufficient, it is directly rejected and no queuing processing is conducted.

For queued businesses of the same priority level, CIPS conducts settlement on a first-in, first-out basis.

3.5.2 Queue Inquiry

The direct participant may send the "Cross-border

Payment Business Settlement Queue Inquiry Application" message (cips.313) to CIPS to query its current business queuing status. CIPS returns the "Cross-border Payment Business Settlement Queue Inquiry Response" message (cips.314), and returns the queued business information to the initiating direct participant through this message.

3.5.3 Queue Adjustment

The direct participant may send the "Queue Adjustment Application" message (cips.353) to CIPS to adjust the order of queued businesses within the same priority level, moving a specific business in the queue to the head or tail.

3.5.4 Queue Cancellation

The direct participant initiating the payment business may send the "Business Cancellation Application" message (cips.303) to CIPS to cancel the corresponding business in queued status or forwarded status. After CIPS accepts the cancellation of the business, it sends the "Business Cancellation Response" message (cips.304) to the initiating direct participant to notify the cancellation processing status. Among them, the multi-debit/credit transfer by clearing institutions can be cancelled as individual items, while netting results and central counterparty fund settlement business cannot be cancelled.

3.5.5 Queue Release

When a direct participant increases its CIPS account balance through measures such as fund increase and pre-funding increase, or receives an incoming transfer, queue release will be triggered. CIPS will release the queued businesses according to the business priority, and release the businesses of the same priority level on a first-in, first-out basis.

3.5.6 Queue Return

In the end-of-session and end-of-day processing sessions, CIPS conducts return processing for businesses still in the queued or pending settlement status, and notifies the initiating direct participant and related direct participants.

3.6 Balance Warning

The direct participant may send the "Balance Warning Quota Setting Application" message (cips.354) to CIPS in the business preparation, daytime and nighttime processing sessions to set the balance warning threshold, to conduct warning management for its CIPS account balance and available quota of net debit limit.

In the daytime and nighttime processing sessions, when the CIPS account balance or the available quota of the net debit limit of the direct participant is less than the balance warning threshold, CIPS opens the balance warning window of the direct participant and sends it the "Balance Warning Notification" message (cips.355). After receiving the balance warning notification, the direct participant should monitor its CIPS account balance and manage its liquidity promptly. When the CIPS account balance or the available quota of the net debit limit of the direct participant is greater than or equal to the balance warning threshold, CIPS closes the balance warning window of the direct participant and notifies it of the warning release.

3.7 Net Debit Limit Inquiry Message

Direct participants participating in the netting business send the "Net Debit Limit Inquiry Application" message (cips.383) to CIPS in the daytime and nighttime processing sessions to query their available quota of net debit limit. CIPS returns the "Net Debit Limit Inquiry Application Response" message (cips.384), and returns the available quota of the net debit limit to the initiating direct participant through this message.

Business Operational Guidelines of Cross-border Interbank Payment System
Part 5: Business Processing

CIPS Co., Ltd.

2026

Contents

Chapter I Overview

1.1 Document Structure and Content Overview

The Business Operational Guidelines of Cross-border Interbank Payment System consist of the following six parts:

— Part 1: General Requirements

— Part 2: Business Preparation

— Part 3: Operating Schedule

— Part 4: Account and Liquidity Management

— Part 5: Business Processing

— Part 6: Billing Management

Part 5 mainly defines the processing processes, rules, and exception handling methods for various payment businesses and information businesses processed through Cross-border Interbank Payment System (hereinafter referred to as CIPS). It covers payment businesses such as customer payment, financial institution transfer, batch business, financial market business, multi-debit/credit transfer by clearing institutions, and return, as well as information businesses such as fee claim, inquiry and reply, and status inquiry. This part serves as the operating guideline for all participants to conduct specific CIPS businesses.

1.2 Business Scope and Basic Requirements

CIPS mainly processes payment businesses and information businesses. Payment businesses include customer payments, financial institution transfers, including central securities depository transactions, batch businesses, returns, financial market fund settlement businesses, and multi-debit/credit transfers by clearing institutions, among others. Information businesses include fee claims, inquiries and replies, transaction status inquiries, general signature information, and free format messages, among others.

Participants should, in accordance with regulatory requirements and their own risk management policies, strengthen business background reviews, and properly conduct business screening, risk identification, assessment, and control during the business processing to ensure that all businesses are conducted in compliance with applicable laws and regulations.

Subject to compliance with applicable laws and regulations, participants should ensure the authenticity, accuracy, and completeness of business information. Participants should provide complete and accurate business information during the processes of business initiation, processing, and response in strict accordance with the Business Rules of Cross-border Interbank Payment System, the Guidelines, and the CIPS message standards. Business information should reflect the actual business scenario. Participants should not evade the supervision under applicable laws and regulations or circumvent the risk monitoring and management requirements of CIPS and related business participants by fabricating, counterfeiting, or tampering with business information. When processing payment transactions, CIPS participants should, in principle, truthfully fill in the transaction type consistent with the actual transaction.

Chapter II Payment Business

2.1 Customer Payment

A customer payment refers to a remittance transaction in which at least either the remitter or the payee is a non-financial institution. Customer payments initiated individually are settled by real-time gross settlement. A direct participant may initiate a "customer payment" message (cips.111) to CIPS to handle such transactions for itself, indirect participants with which it has established business relationships, and their agents. The main process is as follows:

1. During the daytime and nighttime processing phases, the direct participant initiates a "customer payment" message (cips.111) to CIPS.

2. After receiving the message, CIPS conducts checks on message format, duplicate transaction, digital signature validity, and business validity. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, business permissions, etc. If the message fails the check, CIPS discards or rejects it and sends a notification message to the participant. If the message passes the check, CIPS conducts a queue check.

3. If there is no queued transaction with higher or equal priority, CIPS checks whether the available balance of the CIPS account of the initiating direct participant is greater than or equal to the transaction amount (available balance = CIPS account balance - reserved fund - bilateral transaction frozen amount - total payable amount for CCP transactions). If the available balance is sufficient, CIPS debits the CIPS account of the initiating direct participant and credits the CIPS account of the receiving direct participant. After the settlement is completed, CIPS returns a "payment processing confirmation" message (cips.601) to the initiating direct participant to notify it of the successful settlement of the business, and simultaneously forwards the payment message to the receiving direct participant. If the available balance is insufficient, the payment business

is queued, and a "payment processing confirmation" message (cips.601) is returned to the initiating direct participant to notify it that the transaction is queued for settlement.

4. After the receiving direct participant receives the payment message forwarded by CIPS, it completes the subsequent processing.

5. The original initiating direct participant may initiate a "business cancellation application" message (cips.303) to cancel unsettled businesses.

2.2 Financial Institution Transfer

A financial institution transfer refers to a remittance transaction in which both the remitter and the payee are financial institutions. A direct participant may initiate a "financial institution transfer" message (cips.112, including the COV part) to CIPS to handle such transactions for itself, indirect participants with which it has established business relationships, and their agents. Financial institution transfers are settled by real-time gross settlement. The main process is the same as that for customer payments initiated individually.

2.3 Batch Business

A direct participant may send payment instructions to CIPS in batch packaging to process customer payment and other relevant business for itself, the indirect participants with which it has established business relationships, and their agents. Batch transactions are settled by designated-time net settlement. CIPS Co., Ltd. sets parameters for the maximum amount per transaction in a batch and for the net settlement sessions, and notifies participants through the system.

1. During the daytime and nighttime processing phases, the direct participant initiates a "batch customer payment" message (cips.113) to CIPS. After receiving it, CIPS forwards the original message to the receiving direct participant.

2. CIPS conducts message format, duplicate transaction, business validity, and digital signature validity checks on the received messages. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, business permissions, consistency between the total amount in the batch header and the aggregate amount of all details, consistency between total number of transactions in batch header and total number of detail transactions, whether the cumulative incurred amount exceeds the bilateral netting originator limit, available amount under the net debit limit, etc. Duplicate

transaction check and digital signature verification are also conducted. If the message fails the check, CIPS discards or rejects it and sends a notification message to the participant.

3. If the message passes the check, CIPS sends a "payment processing confirmation" message (cips.601) to the initiating direct participant and the receiving direct participant to notify them of the netting results. After the receiving direct participant receives the "Netted" receipt, it can conduct subsequent processing.

4. CIPS submits the netting results for clearing according to the set sessions. If there are no other netting results queued in the urgent queue of the paying direct participant, CIPS checks whether its available CIPS account balance is greater than or equal to the amount of the netting result (available balance = CIPS account balance - reserved fund - bilateral transaction frozen amount - total payable amount for CCP transactions). If the available balance is sufficient, CIPS conducts settlement and sends a "net settlement notification" message (cips.621) to all direct participants participating in the designated-time net settlement; if the available balance is insufficient, CIPS queues the netting result for processing, and sends a "net settlement notification" message

(cips.621) to the paying direct participant.

2.4 Financial Market Business

2.4.1 Fund Settlement for Delivery versus Payment and RMB/Foreign Currency PvP

CIPS supports fund settlement for RMB in business scenarios such as DvP (Delivery versus Payment) settlement, PvP (Payment versus Payment) settlement for RMB and foreign currency, etc. Depending on the initiator, there are two modes: initiated by direct participants in the banking sector, and initiated by direct participants in the financial market infrastructure sector.

1. Settlement business initiated by direct participants in the banking sector

(1) The direct participant in the banking sector initiates a "securities settlement system by bank application" message (cips.133) to CIPS.

(2) After receiving the message, CIPS conducts checks on message format, duplicate transaction, business validity, and digital signature validity. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, and business permissions. If the message fails the check, CIPS discards or rejects it and sends a notification message to the participant. If the

message passes the check, CIPS conducts a queue check. If there are queued transactions with higher priority, CIPS should reject the transaction.

(3) If there is no queued business with higher priority, CIPS checks whether the available balance of the CIPS account of the direct participant is greater than or equal to the transaction amount (available balance = CIPS account balance - reserved fund - bilateral transaction frozen amount - total payable amount of central counterparty), etc. If the available balance is sufficient, CIPS freezes the corresponding funds in the CIPS account of the paying direct participant (the funds are included in the bilateral transaction frozen amount), sends a "general processing confirmation" message (cips.900) to it, and simultaneously forwards the "securities settlement system by bank application" message (cips.133) to the receiving direct participant and the relevant transaction settlement system. If the available balance is insufficient, CIPS should reject the transaction.

(4) After receiving and processing the message, the transaction settlement system sends a "securities settlement system by bank receipt" message (cips.134) to CIPS.

(5) If the receipt indicates approval, CIPS unfreezes

the corresponding funds, debits the CIPS account of the paying direct participant, and credits the CIPS account of the receiving direct participant; if the receipt indicates rejection, CIPS unfreezes the corresponding funds in the CIPS account of the paying direct participant.

(6) CIPS sends a "payment processing confirmation" message (cips.601) to the paying direct participant, the receiving direct participant, and the transaction settlement system to notify them of the settlement results.

2. Settlement business initiated by direct participants in the financial market infrastructure sector

(1) The transaction settlement system initiates a "securities settlement system by FMI application" message (cips.135) to CIPS.

(2) After receiving the message, CIPS conducts checks on message format, duplicate transaction, business validity, and digital signature validity. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, business permissions, etc. Duplicate transaction check and digital signature verification are also conducted.

(3) If the message passes the check, CIPS sends a "general processing confirmation" message (cips.900) to

the transaction settlement system, and simultaneously forwards the "securities settlement system by FMI application" message (cips.135) to the paying direct participant and the receiving direct participant. Messages that fail the checks are discarded or rejected.

(4) After receiving the message, the paying direct participant sends a "securities settlement system by FMI receipt" message (cips.136) to CIPS.

(5) If the receipt indicates approval, CIPS conducts a business queue check. If there is no queued transaction with higher or equal priority, CIPS checks whether the available balance of the CIPS account of the paying direct participant is greater than or equal to the transaction amount (available balance of CIPS account = CIPS account balance - reserved fund - bilateral transaction frozen amount - total payable amount of central counterparty). If the available balance is sufficient, CPIS debits the CIPS account of the paying direct participant and credits the CIPS account of the receiving direct participant. If the available balance is insufficient, the transaction should be queued. CIPS sends a "payment processing confirmation" message (cips.601) to the paying direct participant, the receiving direct participant, and the transaction settlement system to notify them of the processing results.

(6) If the receipt indicates rejection, CIPS sends a "payment processing confirmation" message (cips.601) to the paying direct participant, the receiving direct participant, and the transaction settlement system to notify them of the processing results.

2.4.2 Central counterparty fund settlement business

1. The central counterparty sends a "CCP business initiation" message (cips.131) to CIPS.

2. After receiving the message, CIPS conducts checks on message format, duplicate transaction, business validity, and digital signature validity. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, business permissions, exclusivity check (whether any central counterparty fund settlement business is being processed), etc. Messages that fail the checks are discarded or rejected. If the message passes the check, CIPS conducts a queue check on the paying direct participant, and simultaneously sets the total payable amount parameter of central counterparty business for the CIPS account of the central counterparty. The parameter value is the sum of all payable business amounts of the central counterparties in the central counterparty fund

settlement business.

3. If there is no queued transaction with higher or equal priority in the urgent queue of the paying direct participant, CIPS checks whether the available balance of its CIPS account is greater than or equal to the transaction amount (available balance of CIPS account = CIPS account balance - reserved fund - bilateral transaction frozen amount - total payable amount for CCP transactions). If the available balance is sufficient, CIPS debits the CIPS account of the paying direct participant and credits the CIPS account of the central counterparty. If the available balance is insufficient, the corresponding receivable detail should be queued. After completing the processing of each receivable detail business, CIPS sends a "CCP business debit and credit notification" message (cips.622) to the corresponding paying direct participant.

4. After the receivable business is processed, CIPS checks whether the available balance of the CIPS account of the central counterparty is sufficient to pay the total payable amount of the central counterparty (available balance = CIPS account balance - reserved fund - bilateral transaction frozen amount). If the available balance is sufficient, CIPS debits the CIPS account of the central counterparty transaction by transaction, credits the CIPS

account of the receiving direct participant, marks the payable detail business as "settled", and simultaneously sends a "CCP business debit and credit notification" message (cips.622) to the receiving direct participant. If the available balance is lower than the total payable amount, all payable detail businesses are marked as "pending settlement".

5. CIPS sends a "CCP business receipt" message (cips.132) to the central counterparty to notify it of the processing result.

6. For the central counterparty fund settlement business in the "pending settlement" status, when the available balance of the CIPS account of the central counterparty is sufficient, CIPS conducts settlement and sends a "CCP business receipt" message (cips.132) to the central counterparty to notify it of the processing result.

2.5 Multi-debit/credit Transfer by Clearing Institutions

The multi-debit/credit transfer by clearing institutions is a fund settlement service provided by CIPS to support RMB business of switching clearing institutions (direct participants in the financial market infrastructure sector). Depending on whether the debited party is required to confirm the debit instruction in the business process, it is divided into two modes: direct debit and debit confirmation.

1. The switching clearing institution initiates a "clearing institution debit and credit" message (cips.151) to CIPS.

2. After receiving the message, CIPS conducts checks on message format, duplicate transaction, business validity and digital signature validity. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, business permissions, debit mode, etc. If a message fails the check, CIPS discards or rejects it and sends a notification message to the participant.

3. If the message passes the check, CIPS processes the receivable detail business.

(1) Direct debit mode

CIPS successively conducts a queue check on the paying direct participant according to the receivable detail message identification number. If there is no queued transaction with higher or equal priority in the urgent queue of the paying direct participant, CIPS checks whether the available balance of its CIPS account is greater than or equal to the transaction amount (available balance = CIPS account balance - reserved fund - bilateral transaction frozen amount - total payable amount for CCP transactions). If the available balance is sufficient, CPIS debits the CIPS account of the paying direct participant and credits the CIPS account of the switching clearing institution. If the available balance is insufficient, the corresponding receivable detail should be queued. After completing the processing of each receivable detail business, CIPS sends a "clearing institution debit and credit notification" message (cips.153) to the corresponding paying direct participant and the original initiating switching clearing institution.

(2) Debit confirmation mode

CIPS sends a "clearing institution debit and credit notification" message (cips.153) to the paying direct participant and the original initiating switching clearing institution. After receiving it, the paying direct participant sends a "clearing institution debit and credit notification receipt" message (cips.154) to CIPS.

If the receipt indicates approval, CIPS conducts a business queue check. If there is no queued transaction with higher or equal priority, CIPS checks whether the available balance of the CIPS account of the paying direct participant is greater than or equal to the transaction amount (available balance = CIPS account balance - reserved fund - bilateral transaction frozen amount - total payable amount for CCP transactions). If the available balance is sufficient, CPIS debits the CIPS account of the paying direct participant and credits the CIPS account of the switching clearing institution. If the available balance is insufficient, the transaction should be queued. CIPS sends a "payment processing confirmation" message (cips.601) to the paying direct participant and the original initiating switching clearing institution to notify them of the processing results.

If the receipt indicates rejection, CIPS sends a "payment processing confirmation" message (cips.601) to the paying direct participant and the original initiating switching institution to notify them of the processing results.

4. After the receivable business is completed, CIPS successively processes the payable detail business in the message according to the detail message identification number, debits the CIPS account of the switching clearing institution transaction by transaction, and credits the CIPS account of the receiving direct participant. For those successfully settled, CIPS marks the payable detail business as "settled", and simultaneously sends a "clearing institution debit and credit notification" message (cips.153) to the receiving direct participant and the switching clearing institution; for those not successfully settled, CIPS marks the payable detail business as "settlement queued", and simultaneously sends a "clearing institution debit and credit notification" message (cips.153) to the switching clearing

institution.

5. The original initiating switching clearing institution may initiate a "business cancellation application" message (cips.303) to cancel individual detail items for receivable businesses in queued status and forwarded status, and payable businesses in queued status.

2.6 Return

The return message supports participants in processing the return of customer payment, financial institution transfer, batch businesses, etc., and uses the real-time gross settlement method. Unless otherwise expressly provided, participants should handle the return business through this message. Participants should handle the remittance return business cautiously. If the receiving participant has doubts about the incoming payment, it should initiate an inquiry promptly, and if a return is necessary, promptly process it. After receiving a remittance return business, the participant may re-initiate the business according to business needs, and should avoid initiating a further return for the received remittance return. Participants may return the amount in full or in part according to the actual business situation. The main process is as follows:

(1) The direct participant initiates a "return" message

(cips.114) to CIPS.

(2) After receiving the message, CIPS conducts checks on message format, duplicate transaction, digital signature validity, and business validity. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, business permissions, etc. If the message fails the check, CIPS discards or rejects it and sends a notification message to the participant. If the message passes the check, CIPS conducts a queue check.

(3) If there is no queued transaction with higher or equal priority, CIPS checks whether the available balance of the CIPS account of the initiating direct participant is greater than the transaction amount (available balance = CIPS account balance - reserved fund - bilateral transaction frozen amount - total payable amount for CCP transactions). If the available balance is sufficient, CIPS debits the CIPS account of the initiating direct participant and credits the CIPS account of the receiving direct participant. After the settlement is completed, CIPS returns a "payment processing confirmation" message (cips.601) to the initiating direct participant to notify it of the successful settlement of the business. If the available balance is insufficient, the remittance return is queued, and a

"payment processing confirmation" message (cips.601) is returned to the initiating direct participant to notify it that the transaction is queued for settlement.

(4) After the receiving direct participant receives the return message forwarded by CIPS, it completes the subsequent processing.

(5) The original initiating direct participant may initiate a "business cancellation application" message (cips.303) to cancel unsettled return businesses.

Chapter III Information Business

3.1 Fee Claim Business

The fee claim application message applies to the scenario of claiming service charges, interests, or other fees among participants. Generally, the claiming bank initiates a fee claim request to the claimed bank based on the fees incurred, and upon receiving it, the claimed bank pays the fee to the claiming bank. The main process is as follows:

1. During the operation of CIPS, the direct participant (claiming party) initiates a "fee claim application" message (cips.109) to CIPS.

2. After receiving the message, CIPS conducts checks on message format, duplicate transaction, business validity,

and digital signature validity. The business validity check mainly includes: participant CIPS code, participant status, business permissions, etc. Messages that fail the checks are discarded or rejected.

3. If the message passes the check, CIPS returns a "general processing confirmation" message (cips.900) to the initiating direct participant to notify it that the processing status is "Forwarded", and simultaneously forwards the original message to the receiving direct participant (claimed party).

4. After receiving the message, if the receiving direct participant agrees to pay the claiming party, it may assemble a "financial institution transfer" message (cips.112) for payment according to the relevant information in the "fee claim application" message (cips.109), and select "Other" for the business category; the information provided in the fee claim message should be indicated in the remarks field; if the fee claim involves an individual detail item in cips.113, the original detail transaction identification number of that detail item should be indicated in the remarks field.

3.2 Fund Custodian Bank Business

When the entrusting party applies to the fund custodian bank for funding (pre-funding) and related liquidity transfer increase, it may use the "financial institution transfer" message (cips.112) with "INDA" as the settlement method. The main process is as follows:

1. The entrusting party initiates a "financial institution transfer" message (cips.112) to the fund custodian bank.

2. After receiving the message, CIPS conducts checks on message format, duplicate transaction, business validity, and digital signature validity. The business validity check mainly includes: participant CIPS code, participant status, business permissions, etc. Messages that fail the checks are discarded or rejected.

3. If the message passes the check, CIPS returns a "general processing confirmation" message (cips.900) to the entrusting party to notify it that the processing status is "Forwarded", and simultaneously forwards the original message to the fund custodian bank.

4. After receiving the message, the fund custodian bank completes the in-house processing according to the application, and sends a "payment status notification" message (cips.115) to the entrusting party through CIPS to notify it of the processing status.

3.3 Inquiry and Reply

The inquiry and reply service should comply with the requirements that all inquiries should be replied, responses should be detailed, and processing should be timely. The replying bank should promptly issue a reply message to the inquiring bank, forward the message, or take other appropriate action. The main process is as follows:

1. The direct participant initiates a "business inquiry" message (cips.301) to CIPS.

2. After receiving the message, CIPS conducts checks on message format, duplicate transaction, business validity, and digital signature validity. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, business permissions, etc. Messages that fail the checks are discarded or rejected.

3. If the message passes the check, CIPS returns a "general processing confirmation" message (cips.900) to the initiating direct participant to notify it that the processing status is "Forwarded", and simultaneously forwards the original message to the receiving direct participant.

4. After receiving and processing the message, the receiving direct participant initiates a "business reply" message (cips.302) to CIPS.

5. After receiving the reply message, CIPS conducts checks on message format, duplicate transaction, business validity, and digital signature validity. The business validity

check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, etc. Messages that fail the checks are discarded or rejected.

6. If the message passes the check, CIPS matches the received reply message with the original inquiry message. If the matching is unsuccessful, CIPS sends a "general processing confirmation" message (cips.900) to the direct participant initiating the reply message to notify it that the processing status is "RJCT"; if the matching is successful, CIPS sends a "general processing confirmation" message (cips.900) to the direct participant to notify it that the processing status is "Processed", and forwards the reply message to the original inquiry initiating direct participant.

3.4 Business Status Inquiry

1. During CIPS operating hours, the direct participant sends a "business status inquiry" message (cips.305) to CIPS to inquire about the processing status of its related payment business and account operation instructions.

2. After receiving the message, CIPS conducts checks on message format, duplicate transaction, business validity, and digital signature validity. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants,

participant status, type of message being queried, etc. Messages that fail the checks are discarded or rejected.

3. If the message passes the check, CIPS returns a "business status inquiry response" message (cips.306) to the initiating direct participant.

3.5 General Signature Information

Direct participants may use the general signature information business message to transmit specific information among themselves.

1. During the business preparation, daytime, and nighttime processing phases, the direct participant initiates a "general signature information business" message (cips.307) to CIPS.

2. After receiving the message, CIPS conducts checks on message format, duplicate transaction, business validity, and digital signature validity. The business validity check mainly includes: participant CIPS code, participant status, business permissions, etc. Messages that fail the checks are discarded or rejected.

3. If the message passes the check, CIPS returns a "general processing confirmation" message (cips.900) to the initiating direct participant to notify it that the processing status is "Forwarded", and simultaneously forwards the original message to the receiving direct participant.

4. After receiving the general signature information business message forwarded by CIPS, the receiving direct participant conducts corresponding processing. If a reply is required, it should send a "general signature information business response" message (cips.308) to CIPS.

5. After receiving the response message, CIPS conducts checks on message format, duplicate transaction, business validity, and digital signature validity. The business validity check mainly includes: participant CIPS code, business relationship between direct and indirect participants, participant status, etc. Messages that fail the checks are discarded or rejected.

6. If the message passes the check, CIPS matches the response message with the original general signature information business message. If the matching is unsuccessful, CIPS sends a "general processing confirmation" message (cips.900) to the original receiving direct participant to notify it that the processing status is "RJCT". If the matching is successful, it sends a "general processing confirmation" message (cips.900) to the original receiving direct participant to notify it that the processing status is "Processed". CIPS then forwards the response message to the original initiating direct participant.

3.6 Free Format Message

Between direct participants, or between a direct participant and CIPS Co., Ltd., free format messages without digital signatures may be used to transmit information.

1. The direct participant initiates a "free format" message (cips.309) to CIPS.

2. After receiving the message, CIPS conducts checks on message format, duplicate transaction, and business validity. The business validity check mainly includes: direct participant CIPS code, participant status, etc. Messages that fail the checks are discarded or rejected.

3. When the message passes the check, if the receiving party is CIPS Co., Ltd., CIPS sends a "general processing confirmation" message (cips.900) to the initiating direct participant to notify it that the processing status is "Pending", and CIPS Co., Ltd. conducts corresponding processing. If the receiving party is another direct participant, CIPS sends a "general processing confirmation" message (cips.900) to the initiating direct participant to notify it that the processing status is "Forwarded", and simultaneously forwards this message to the receiving direct participant.

Chapter IV Exception Handling

1. Handling of Rejected Business

If the message sent by the direct participant is rejected by CIPS, and the initiating direct participant needs to resend it, it should identify the cause according to the error code in the rejection notice, make corrections, and then re-generate and send the message to CIPS.

2. Handling of Discarded Business

If the message sent by the direct participant is discarded by CIPS due to repeated sending or format error, the initiating direct participant should identify the cause according to the business processing code in the discard notice, make corrections, and then re-generate and send the message to CIPS.

3. Handling of Digital Signature Errors Detected by CIPS When Verifying Incoming Messages from Direct Participants

If the message sent by the direct participant is rejected by CIPS due to a digital signature verification error, the initiating direct participant should update the digital signature, synchronize it with CIPS, and then re-generate and send the message to CIPS.

4. Handling of Digital Signature Verification Failures Detected by Direct Participants in Incoming Messages from

CIPS

If the digital signature of the business message forwarded by CIPS and received by the direct participant is verified as incorrect, the direct participant should identify the cause. If it is due to an error in the local certificate, it should update the local certificate information and apply to CIPS for reissuance of the incoming message.

5. Message Reissuance

For messages that are not normally received or processed, after identifying the cause, the direct participant may apply to CIPS Co., Ltd. for reissuance of the relevant messages.

6. Handling of Inconsistent Business Status

If the business status on the direct participant side and the CIPS side becomes inconsistent due to message loss during transmission or processing abnormality, the direct participant may send a "business status inquiry" message (cips.305) to CIPS to synchronize the business status, or apply to CIPS Co., Ltd. for reissuance of the message.

Business Operational Guidelines of Cross-border Interbank Payment System
Part 6: Billing Management

CIPS Co., Ltd.

2026

Contents

Chapter I Overview

1.1 Document Structure and Content Overview

The Business Operational Guidelines of Cross-border Interbank Payment System consist of the following six parts:

— Part 1: General Requirements

— Part 2: Business Preparation

— Part 3: Operating Schedule

— Part 4: Account and Liquidity Management

— Part 5: Business Processing

— Part 6: Billing Management

Part 6 mainly defines the billing management mechanism of Cross-border Interbank Payment System (hereinafter referred to as CIPS). Its contents include fee management requirements such as billing methods, billing items, and payment process. This part provides a fee basis for the sustainable operation of CIPS business.

Chapter II Billing Management

2.1 Overview

Direct participants should pay fees in full and on time in accordance with the billing items and rates formulated by CIPS Co., Ltd., including annual fees, system operation fees, and message processing fees, etc.

2.2 Billing Methods

CIPS Co., Ltd. conducts billing and fee collection management in the mode of "internal billing, internal and external payment".

2.3 Billing Items

Billing items cover annual fees, system operation fees, message processing fees and other relevant fees.

2.4 Issuance of Billing Lists

During the business preparation phase on the first system business day of each year, CIPS sends the annual billing list (cips.611) to all direct participants. For direct participants admitted to CIPS in the middle of the year, CIPS sends them the billing list (cips.611), containing annual and monthly billing items, during the business preparation phase on the first system business day of the month following their admission.

During the business preparation phase on the first system business day of each month, CIPS sends the monthly billing list (cips.611) to all direct participants.

The contents of the billing list include the billing items for the current year (previous month), fee amount, system deduction time[1], account information for fee collection, etc.

[1]For the CIPS automatic deduction service, CIPS automatically deducts the corresponding fees from direct participants who have activated the automatic deduction service according to the billing list at the system deduction time (which may be adjusted due to holiday rules).

2.5 Payment Process

CIPS provides the automatic deduction service, and direct participants may apply to CIPS Co., Ltd. to activate/cancel the automatic deduction service.

1. Internal Fee Payment

For direct participants who have activated the automatic deduction service, CIPS automatically deducts the payable amount from their CIPS accounts to the fee collection account of CIPS Co., Ltd. at the system deduction time according to the billing list amount, and notifies the direct participants of the successful deduction via message (cips.612).

2. External Fee Payment

For direct participants who have not activated the automatic deduction service, they should pay the relevant fees on schedule according to the billing statement issued by CIPS Co., Ltd.