

香港中央結算有限公司  
(香港交易及結算所有限公司全資附屬公司)

**HONG KONG SECURITIES CLEARING COMPANY LIMITED**  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

## 通告 CIRCULAR

Subject: Enhancement of the Third Party Clearing Arrangement  
Enquiry: CCASS Hotline at 2979 7111 / E-mail: clearingps@hkex.com.hk

Hong Kong Securities Clearing Company Limited (“HKSCC”) is pleased to announce that the Third Party Clearing (“TPC”) arrangement for the Hong Kong securities market will be enhanced, subject to regulatory approval. The enhancement of the TPC arrangement will provide operational flexibility to an Exchange Participant of The Stock Exchange of Hong Kong Limited (“SEHK”) that is a Non-Clearing Participant (“NCP”) to appoint more than one General Clearing Participant (“GCP”) for the clearing and settlement of its Exchange Trades.

### **Appointment of up to two GCP by an NCP for Exchange Trades**

Currently, an NCP can appoint only one GCP for the clearing and settlement of its Exchange Trades and Clearing Agency Transactions (if applicable) in the Hong Kong securities market. Under the enhanced TPC arrangement, an NCP will be allowed to appoint up to two GCPs for the clearing and settlement of its Exchange Trades while the TPC arrangement for Clearing Agency Transactions will remain unchanged such that an NCP will continue to be allowed to appoint one GCP for the clearing of Clearing Agency Transactions and that GCP must be one of the GCPs that clears the NCP’s Exchange Trades.

As required under the Rules and Operational Procedures of HKSCC, an NCP must enter into a Clearing Agreement with each of its appointed GCPs. Thus, an NCP who wishes to appoint an additional GCP must enter into a Clearing Agreement with the new GCP that it intends to appoint. In addition, such NCP and the new GCP are required to jointly submit a completed [Form 11 - Notification of Execution of Clearing Agreement and Change of Clearing Participants](#) to SEHK in respect of each additional appointment. To (1) designate the set(s) of broker numbers attached to the Exchange Trades to be cleared and settled by a GCP and (2) appoint a GCP for the clearing

and settlement of Clearing Agency Transactions, the NCP and the relevant GCP are required to jointly submit a completed Form 23 - Application Form for (1) the appointment / termination of a GCP for the clearing and settlement of Clearing Agency Transactions; and (2) the designation / removal of designation of the set(s) of broker numbers to be attached to Exchange Trades to be cleared and settled by a GCP to SEHK. This new application form will be available on HKEX website upon the implementation of TPC enhancements. For the avoidance of doubt, if an NCP will continue to appoint only one GCP, no action will be required.

### **Disclosure of NCP failure**

A GCP shall ensure that each NCP with which it has entered into a Clearing Agreement is aware that if more than one GCP is appointed for the clearing and settlement of Exchange Trades, HKSCC may, upon receiving notification from one GCP about any failure of such NCP to meet its obligations under a Clearing Agreement, disclose such information to the other GCP(s) of the NCP for risk management purposes.

For any enquiries, please contact CCASS Hotline at 2979 7111 or email to [clearingps@hkex.com.hk](mailto:clearingps@hkex.com.hk).

**Hector Lau**

**Head of Clearing & Depository**

**Operations Division**

*This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.*

Appendix

**Summary of TPC Arrangements in Exchange Trades and China Connect Securities Trades**

	Existing TPC arrangement	Proposed TPC arrangement (subject to regulatory approval)
<b>Exchange Trades</b>	An NCP can appoint only one GCP for the Exchange Trades	An NCP can appoint <u>up to two</u> GCPs for the Exchange Trades <b>(NEW)</b>
<b>China Connect Securities Trades</b>	TPC arrangement remains unchanged as follows: <ul style="list-style-type: none"> <li>(i) An NCP can appoint only one GCP for the China Connect Securities Trades, and it can be the same or different GCP from that being appointed for the Exchange Trades; or</li> <li>(ii) A Non-China Connect Clearing Participant (“NCCCP”) (who is self-clearing the Exchange Trades) can appoint only one GCP for the China Connect Securities Trades</li> </ul>	