

Rules and Procedures of HKFE Clearing Corporation Limited

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**CHAPTER IX**

**DCASS**

Connection to DCASS

902. Prior to the establishment of an electronic connection of an HKCC Participant to DCASS (“DCASS connection”), a DCASS Agreement in a form prescribed by the Clearing House from time to time shall be entered into.

902A. An HKCC Participant can establish its DCASS connection via the central gateway provided by the Clearing House or the HKCC Participant’s remote network gateways.

Backup Centre for DCASS

912A. In case an HKCC Participants cannot access ~~their~~ its DCASS terminals due to technical or other reasons for performing post-trade adjustment functions in DCASS, ~~it~~ they can request the use of the backup centre provided by the Clearing House to perform such functions. For details, please refer to the DCASS Terminal User Guide.

Contingency Gateway for DCASS Connection

912B. In case an HKCC Participant cannot access DCASS via its remote network gateways due to technical or other reasons, it can apply to the Clearing House for a temporary connection to DCASS via the contingency gateway of the Clearing House, subject to payment of the applicable fee stated in Appendix A. For details, please refer to the DCASS Terminal User Guide. The Clearing House has absolute discretion to determine whether or not to approve such application and allow the use of contingency gateway for DCASS connection.

APPENDIX A

Fees

Description	Amount <sup>1</sup>
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*DCASS-Related Fees*

<u>Sub-license fee for (i) DCASS workstation applications software or (ii) OAPI <del>sub-license fee via HKCC</del> Participant's remote network gateways</u>	1,750/month/connection
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<u>Sub-license fee for (i) DCASS workstation applications software or (ii) OAPI via the central gateway</u>	<u>2,600/month/connection</u>
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<u>Temporary connection to DCASS via the contingency gateway</u>	<u>1,000/connection/day or part thereof</u>
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*1 Unless otherwise specified, the amounts listed in this appendix are in HK dollars*

## CLEARING HOUSE PROCEDURES FOR FUTURES/OPTIONS CONTRACTS TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE ("HKATS")

### Chapter 1 Registration Procedures

#### 1.2 Types of Clearing Accounts in DCASS

##### 1.2.8 APT Account

The APT Account serves as an account to which ~~individual trades a selected group of trades can be transferred on a from an HKCC Participant's Daily Account are~~ temporarily transferred ~~basis~~ for the purpose of performing average price trade calculation. No positions will be recorded or maintained in the APT Account.

### Chapter 2 Clearing and Settlement Procedures

#### 2.8 Intra-day Variation Adjustments

Furthermore, where the price movements in a Market are particularly volatile such that the applicable Clearing House margin in respect of that Market has been eroded by approximately 25% ~~in case of the Hang Seng Index Futures, Hang Seng Index Options, Mini Hang Seng Index Futures or Mini Hang Seng Index Options Market and approximately 35% in the case of any other Market,~~ or where the Clearing House considers appropriate under any other circumstances, the Clearing House may make an intra-day variation adjustment in respect of all open Contracts held by an HKCC Participant in that Market and/or any other Market whose underlying instrument is the same as or similar to the underlying instrument of that Market at the time of the intra-day variation adjustment.

### Chapter 5 Capital-Based Position Limits

#### 5.1 Position Limits Prescribed by the Clearing House

Notification of an HKCC Participant's initial Liquid Capital apportionment or any change thereof shall be made by such HKCC Participant submitting to the Clearing House ~~by facsimile~~ an "Application/Change Request for Liquid Capital Apportionment Form 11" according to the schedule determined by the Clearing House from time to time. Any notification of changes to the apportionment received by the Clearing House before a time specified by the Clearing House from time to time, shall become effective on the same Business Day the notification is received by the Clearing House. Otherwise, changes to the apportionment shall become effective on the commencement of the T Session of the next Business Day following receipt of the notification by the Clearing House. Notwithstanding the foregoing, the Clearing House reserves the right to accept or reject any initial apportionment or change of apportionment notified to it at its sole discretion. If no apportionment is notified to the Clearing House, the Clearing House reserves the right to apportion the Liquid Capital on behalf of the HKCC Participant.