

**GENERAL RULES OF CCASS**

**CHAPTER 1**

**INTERPRETATION**

**101. Definitions**

When used herein, the following expressions shall, unless the context otherwise requires, bear the following meanings:

<u>“Code”</u>	<u>means the United States Internal Revenue Code of 1986, as amended;</u>
“Eligible U.S. Securities”	means any U.S. securities that are regularly traded on (i) a national securities exchange which is registered under section 6 of the Securities Exchange Act of 1934 or (ii) the NASDAQ, provided that no such securities are (x) U.S. real property interests as defined in section 897 of the <del>Code</del> <u>U.S. Internal Revenue Code of 1986, as amended</u> (the “Code”), (y) partnerships, trusts, or real estate investment trusts subject to withholding pursuant to Code section 1445(e), or (z) partnerships subject to withholding pursuant to Code section 1446;
<u>“Tax Information Exchange Framework”</u>	<u>means (i) sections 1471 to 1474 of the Code, (ii) any similar or successor legislation to (i) introduced by the United States, (iii) any agreement described in section 1471(b) of the Code, (iv) any regulations or guidance pursuant to any of the foregoing, (v) any official interpretations of any of the foregoing, (vi) any intergovernmental agreement to facilitate the implementation of any of the foregoing (an “IGA”), or (vii) any law implementing an IGA;</u>
“Unit”	means one undivided share or undivided beneficial interest in a Unit Trust, a fund or similar investment arrangement; <del>and</del>
“Unit Trust”	means any arrangement made for the purpose, or having the effect, of providing facilities for the participation by persons, as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of securities or any other property whatsoever; <del>and-</del>
<u>“Withholding Tax”</u>	<u>means any withholding or deduction pursuant to the Tax Information Exchange Framework.</u>

#### 104. HKSCC's policy on personal information collection

In relation to the Personal Data (Privacy) Ordinance, HKSCC and its nominee's policy with respect to personal information collection relating to individuals in relation to CCASS functions and services are as follows:

- (ii) Unless consent of the individual is obtained, personal information of an individual held by HKSCC will be kept confidential but HKSCC may release some of the information (including but not limited to information received from an Investor Participant and other information in connection with an Investor Participant) to external parties including but not limited to agents, contractors or third party service providers who provide administrative, telecommunications, computer, insurance, payment clearing or other services to HKSCC in connection with the operation of its business, any other person under a duty of confidentiality to HKSCC (including by way of contract), the Commission, the Exchange, any recognized exchange controller, any company of which the recognized exchange controller which is the controller of HKSCC is the controller, other recognized clearing houses, central depositories, bodies of exchanges, overseas governmental or regulatory bodies, governmental departments and issuers of Eligible Securities authorized by law and/or pursuant to the Rules, notwithstanding that any such persons may be outside of Hong Kong.

### CHAPTER 3

#### ADMISSION OF PARTICIPANTS

#### 303. Criteria for admission

An applicant for admission as a Participant must apply in the prescribed manner to HKSCC and must demonstrate to the satisfaction of HKSCC that it is of good financial standing, has the operational capability to satisfy at all times the requirements of CCASS, including but not limited to each of the requirements set out in Chapter 17, and is otherwise a fit and proper person to be admitted as a Participant.

Each applicant must provide HKSCC with such certifications, declarations, representations, undertakings, documents and further information as HKSCC may require for dealing with the application.

### CHAPTER 12

#### MONEY SETTLEMENT SERVICES

#### 1210. Tax

HKSCC shall make any payments due to a Participant net of any Withholding Tax (whether withheld by HKSCC or any other parties), and HKSCC shall have no obligation to gross-up any such payment or to pay any additional amount as a result of such Withholding Tax. HKSCC shall be entitled to deduct Withholding Tax from payments to a Participant.

In the event that any payment made by a Participant to HKSCC is subject to deduction or withholding (either at the time of such payment or in the future) for or on account of any Withholding Tax, then the Participant shall pay to HKSCC an amount, in addition to the payment to which HKSCC is otherwise entitled, necessary to ensure that the net amount actually received by HKSCC (free and clear of any such deduction or withholding for or on account of any such Withholding Tax), will be equal to the full amount HKSCC would have received in the absence of any such deduction or withholding.

## CHAPTER 17

### CONTINUING OBLIGATIONS OF PARTICIPANTS

#### 1703. Other responsibilities

Each Participant undertakes that:-

- (i) it will comply with any law, decree, rule, regulation, or order of any government, regulatory authority, competent authority, court or tribunal anywhere in the world, applicable to it or to its status, the conduct of its business, the performance of its obligations as a Participant or its participation in CCASS; including, for the avoidance of doubt, all applicable laws, decrees, rules, regulations, and orders of any government, regulatory authority, competent authority, court or tribunal relating to the prevention of bribery, money laundering, tax evasion, financial crimes and terrorist financing;
- (iii) it will notify HKSCC of any change in the details supplied to HKSCC at the time of admission and thereafter, including but not limited to anything relating to such Participant, its directors or employees which would render inaccurate, incomplete or superseded a statement or information previously furnished by such Participant to HKSCC in connection with either (a) such Participant's application for admission to be a Participant or (b) the status of such Participant under the Tax Information Exchange Framework, the documentation previously furnished by such Participant on such status or the meeting by HKSCC under clause (vii) of any obligations relating to the Tax Information Exchange Framework;
- (v) it will keep records in sufficient detail of its use of any of the services and facilities of CCASS and upon HKSCC's request, make available for inspection by HKSCC all such records and in the case of Participants other than Investor Participants, allow HKSCC, during normal office hours, to enter its premises where such records are kept and inspect such records; ~~and~~
- (vi) it (which does not include an Investor Participant) will provide HKSCC with any information requested by an exchange, clearing house, regulatory authority or an organization (whether within or outside Hong Kong) with which HKEx, HKSCC or the Exchange has entered into an information sharing arrangement or agreement; and
- (vii) it will provide HKSCC with sufficient information so as to enable HKSCC to determine whether any payments to be made by HKSCC under these Rules are withholdable payments pursuant to the Tax Information Exchange Framework and to enable HKSCC to meet any applicable obligations relating to the Tax Information Exchange Framework.

## CHAPTER 19

### INDEMNITY

- 1903. Each Participant shall indemnify HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC and keep HKSCC, the Exchange and a recognized exchange controller which is the controller of HKSCC indemnified from and against any loss, cost (including cost of enforcement), interests, liability (including any tax or other fiscal liability), claim, damage, cost or expenses of whatever nature which HKSCC, the Exchange and a recognized exchange controller which is the controller of HKSCC incurred or suffered in connection with any actions taken by HKSCC or any actions that HKSCC is required to take to comply with any obligations relating to the Tax Information Exchange Framework (or fails to take relating to Withholding Tax obligations) with respect to such Participant.

## CHAPTER 20

### DISCIPLINARY ACTIONS

#### 2001. Circumstances subject to disciplinary actions

Subject to Rule 2013, HKSCC may institute disciplinary proceedings against a Participant in respect of an act of misconduct committed or reasonably believed to have been committed by it.

An act of misconduct includes :-

- (xi) failure to provide information requested by an exchange, clearing house, regulatory authority or an organization (whether within or outside Hong Kong) with which HKEx, HKSCC or the Exchange has entered into an information sharing arrangement or agreement (this act of misconduct does not apply to an Investor Participant) or pursuant to Rule 1703(iii) or (vii);

## CHAPTER 28

### DISCLOSURE

#### 2801. Disclosure required by law etc.

HKSCC shall have authority to disclose the details of any information concerning a Participant and a recipient of copies of Corporate Communications in its possession, any information received from a Participant and any other information in connection with a Participant at any time if so required (i) by any applicable law, decree, rule, regulation or order of any government, regulatory authority, court, tribunal, or other competent authority; (ii) pursuant to any requirement or request of any governmental, regulatory or other competent authority whether within or outside Hong Kong (including, but not limited to, the Commission, HKMA and the Inland Revenue Department of the Hong Kong government); or (iii) by or in accordance with the Tax Information Exchange Framework.

2804. HKSCC may provide information in relation to a Participant other than an Investor Participant to any exchange, clearing house, governmental, regulatory or competent authority or any organization (whether within or outside Hong Kong) with which HKEx, HKSCC or the Exchange has entered into an information sharing arrangement or agreement or pursuant to the Tax Information Exchange Framework.

2806. Without prejudice to the other provisions and any other rights HKSCC may have, HKSCC may direct a Participant to provide it with any information required or requested by a governmental, regulatory or other competent authority, a regulated exchange or clearing house whether within or outside Hong Kong with which HKEx, HKSCC or the Exchange has entered into an information sharing arrangement or agreement or pursuant to the Tax Information Exchange Framework.