

## **Chapter 6                      Typhoons and Rainstorms**

Except as otherwise determined by the Clearing House or the Exchange (which shall have the discretion to suspend, terminate, postpone or extend any clearing, money settlement or collateral management services of the Clearing House for such period and on such terms as it may specify), the following procedures shall apply when a Typhoon Signal No. 8 or above is hoisted or lowered or when a Black Rainstorm Warning is issued or cancelled on any Business Day by the Hong Kong Observatory.

### **6.1    Clearing Services**

#### *6.1.1    Typhoons*

If a Typhoon Signal No. 8 or above is hoisted before clearing services under DCASS are available and is lowered at or before 12:00 noon on any Business Day, such services will resume two hours thereafter and continue to be available in accordance with their normal services hours.

If a Typhoon Signal No. 8 or above is hoisted before clearing services under DCASS are available and is not lowered at 12:00 noon on any Business Day, such services will resume two hours from 12:00 noon and cease at the System Input Cutoff Time for Contracts traded in Markets with a T+1 Session and any other Market whose underlying instrument is the same as or similar to any of the Markets with a T+1 Session, but no clearing services will be available for the day for all other Contracts. If such Business Day is the last trading day or Expiry Day of an Exchange Contract, clearing services in respect of such expiring Exchange Contract will be further extended by one Business Day.

If a Typhoon Signal No. 8 or above is hoisted after clearing services under DCASS are available and is lowered at or before 12:00 noon on any Business Day, such services will continue to be available in accordance with their normal services hours.

If a Typhoon Signal No. 8 or above is hoisted after clearing services under DCASS are available and is not lowered at 12:00 noon on any Business Day, such services will continue to be available within two hours after the hoisting of the Signal but will cease thereafter.

If a Typhoon Signal No. 8 or above is hoisted after 12:00 noon on any Business Day, clearing services under DCASS will continue to be available until two hours after the hoisting of the Signal or the end of its normal services hours, whichever is earlier.

#### *6.1.2    Rainstorms*

If a Black Rainstorm Warning is issued before clearing services under DCASS are available and is cancelled at or before 12:00 noon on any

Business Day, such services will resume two hours thereafter and continue to be available in accordance with their normal services hours.

If a Black Rainstorm Warning is issued before clearing services under DCASS are available and is not cancelled at 12:00 noon on any Business Day, such services will resume two hours from 12:00 noon and cease at the System Input Cutoff Time for Contracts traded in Markets with a T+1 Session and any other Market whose underlying instrument is the same as or similar to any of the Markets with a T+1 Session, but no clearing services will be available for the day for all other Contracts. If such Business Day is the last trading day or Expiry Day of an Exchange Contract, clearing services in respect of such expiring Exchange Contract will be further extended by one Business Day.

If a Black Rainstorm Warning is issued after clearing services under DCASS are available and is cancelled at or before 12:00 noon on any Business Day, such services will continue to be available in accordance with their normal services hours.

If a Black Rainstorm Warning is issued after clearing services under DCASS are available and is not cancelled at 12:00 noon on any Business Day, such services will continue to be available until the T+1 Session Cutoff Time if the T+1 Session of any Market continues to be available on that day. Otherwise, clearing services under DCASS will cease at the System Input Cutoff Time.

Notwithstanding 6.1.1 and 6.1.2 above, the Clearing House will continue to perform the daily clearing process and compute each HKCC Participant's liabilities as stated in section 2.1.

## 6.2 Money Settlement Services

### 6.2.1 *Typhoons*

If a Typhoon Signal No. 8 or above is hoisted before 9:00 a.m. and is not lowered at 12:00 noon on any Business Day, money settlement services will not be available for the day. In such event, money settlement will be effected prior to the resumption of trading on the Exchange on the next Business Day the Exchange is open for business, and will be due for settlement by no later than 9:15 a.m. if such Business Day is a full Bank Business Day or one hour after resumption of money settlement services if such Business Day is not a full Bank Business Day.

If a Typhoon Signal No. 8 is lowered at or before 12:00 noon on any Business Day, money settlement services will normally resume in two hours and any amounts demanded from HKCC Participants by the Clearing House must be settled no later than one hour after the resumption of the money settlement services on that Business Day.

If a Typhoon Signal No. 8 or above is hoisted at or after 9:00 a.m., HKCC Participants' outstanding amounts due for settlement according to the normal schedule set forth in Chapter 2 shall be settled by HKCC Participants. Money settlement services will cease two hours after the hoisting of the Signal.

#### 6.2.2 *Rainstorms*

If a Black Rainstorm Warning is issued before 9:00 a.m. and is not cancelled at 12:00 noon on any Business Day, money settlement services will not be available for the day. In such event, money settlement will be effected prior to the resumption of trading on the Exchange on the next Business Day the Exchange is open for business, and will be due for settlement by no later than 9:15 a.m. if such Business Day is a full Bank Business Day or one hour after resumption of money settlement services if such Business Day is not a full Bank Business Day.

If a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, money settlement services will normally resume in two hours and any amounts demanded from HKCC Participants by the Clearing House must be settled no later than one hour after the resumption of the money settlement services on that Business Day.

If a Black Rainstorm Warning is issued at or after 9:00 a.m., HKCC Participants' outstanding amounts due for settlement according to the normal schedule set forth in Chapter 2 shall continue to be settled by HKCC Participants. Money settlement services will continue to be available in accordance with their normal services hours.

Notwithstanding 6.2.1 and 6.2.2 above, money settlement services of the Clearing House, which are dependent on the availability of banking services in Hong Kong, will not be available if the banking services in Hong Kong become unavailable in case of typhoon or rainstorm situations. If the banking services in Hong Kong remain unavailable for any Business Day, each Designated Bank, Approved Settlement Bank and Prime Settlement Bank will, upon resumption of such banking services on the next Business Day, debit the amounts due from HKCC Participants according to Chapter 2. HKCC Participants must ensure that their bank accounts have sufficient funds to fulfill their money settlement obligations. Failure to do so will subject an HKCC Participant to disciplinary action pursuant to Rule 510 and/or Rule 517.

### 6.3 Collateral Management Services

The procedures below are applicable to collateral management services provided via CCMS, whereas money settlement services are dealt with in accordance with section 6.2.

### 6.3.1 *Typhoons*

If a Typhoon Signal No. 8 or above is hoisted before 9:00 a.m. and is lowered at or before 12:00 noon on any Business Day, collateral management services via CCMS will resume two hours thereafter, while requests for redelivery of surplus funds will be processed on a best efforts basis subject to the availability of the applicable services of corresponding banks.

If a Typhoon Signal No. 8 or above is hoisted before 9:00 a.m. and is not lowered at 12:00 noon on any Business Day, collateral management services via CCMS will not be available on that day.

If a Typhoon Signal No. 8 or above is hoisted at or after 9:00 a.m. but prior to the deadline for requests for redelivery of surplus funds (normally 11:00 a.m.) on any Business Day, those requests for redelivery of surplus funds already submitted will be accepted as usual, subject to the availability of the applicable services of corresponding banks.

### 6.3.2 *Rainstorms*

If a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, collateral management services via CCMS will resume in two hours and requests for redelivery of surplus funds will be processed on a best efforts basis subject to the availability of the applicable services of corresponding banks.

If a Black Rainstorm Warning is issued before 9:00 a.m. and is not cancelled at 12:00 noon on any Business Day, collateral management services via CCMS will not be available on that day.

If a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day, normal collateral management services via CCMS will continue to be available for the day.

## 6.4 Settlement Services relating to Physical Delivery Contracts

### 6.4.1 *Typhoons*

If a Typhoon Signal No. 8 or above is hoisted on a Business Day which is after the last trading day or Expiry Day and up to and including the Final Settlement Day of an expiring Physical Delivery Contract and physical delivery of the underlying commodity or instrument for the settlement of the Physical Delivery Contract cannot be effected on the day by the CMU, an Approved Depository or any other relevant depository or facility which effects the physical delivery of such Physical Delivery Contract, as the case may be, services relating to the final settlement of such Physical Delivery Contract (i.e. both physical

delivery and the corresponding money settlement) will be postponed by one Business Day.

#### 6.4.2 *Rainstorms*

If a Black Rainstorm Warning is issued on a Business Day which is after the last trading day or Expiry Day and up to and including the Final Settlement Day of an expiring Physical Delivery Contract and physical delivery of the underlying commodity or instrument for the settlement of the Physical Delivery Contract cannot be effected on the day by the CMU, an Approved Depository or any other relevant depository or facility which effects the physical delivery of such Physical Delivery Contract, as the case may be, services relating to the final settlement of such Physical Delivery Contract (i.e. both physical delivery and the corresponding money settlement) will be postponed by one Business Day.