

III. CLEARING SERVICES

4. SERVICE SCHEDULES

The clearing services of DCASS will be available from 9:00 a.m. to the System Input Cutoff Time as defined in the Options Clearing Rules on each Business Day. Each Business Day will be divided into various periods which govern the availability of various clearing functions to SEOCH Participants.

4.1 Daily Schedule for Clearing Functions

Table 1 below shows the periods in which the various clearing functions are available and can be executed on-line through DCASS by SEOCH Participants. Details of such functions are described in the *DCASS Terminal User Guide*.

4.1.1 Enquiry Function

SEOCH Participants can perform online enquiry via DCASS terminals to view information relating to trades, positions, accounts, exercise requests, assignments, series, fees, deliveries, margin requirements as well as messages broadcast by SEOCH.

4.1.2 Trade Rectification

SEOCH Participants can perform various types of rectification on trades executed during the day via their DCASS terminals. These include open/close adjustments, trade account transfers, average price trades and trade splitting.

4.1.3 Trade Give-up / Take-up

SEOCH Participants can give-up trades executed by them during the day to other SEOCH Participants or confirm the taking-up of trades from other SEOCH Participants via their DCASS terminals.

4.1.4 Exercise Request / Deny Auto

SEOCH Participants can input exercise requests or rejections or deny exercise requests automatically generated for spot month series on the expiry day on their long open positions via their DCASS terminals.

4.1.5 Securities Collateral Cover / De-cover

SEOCH Participants can input instructions to cover or de-cover their short call positions with the specific underlying to minimize the margin requirement on such positions via their DCASS terminals.

4.1.6 Position Maintenance

SEOCH Participants can perform various types of rectification on their open positions via their DCASS terminals. These include position netting and transfer between different internal accounts.

4.1.7 Reports and Raw Data Files

SEOCH Participants can download various DCASS reports from their DCASS terminals for viewing or printing. Various data files can also be downloaded to a local PC for other in-house system applications of, or processing by, SEOCH Participants.

Table 1: Availability of Clearing Services

| Clearing Functions | Normal Business Day | | | |
|---|---------------------|-----|----|----|
| | PT | TPT | AB | BT |
| A. Enquiry | X | X | | X |
| B. Input Functions Performed by Participants | | | | |
| 1. Trade Rectification | | | | |
| <i>a) Trade Separation</i> | X | X | | |
| <i>b) Trade Open/Close Adjustment</i> | X | X | | |
| <i>c) Trade Account Transfer</i> | X | X | | |
| <i>d) Trade Give-up / Take Up</i> | X | X | | |
| <i>e) Average Price Trade</i> | X | X | | |
| 2. Exercise Request Input | | | | |
| <i>a) Exercise Request / Rejection</i> | X | X | | |
| <i>b) Deny Auto Exercise</i> | X | X | | |
| 3. Securities Collateral Cover/De-cover | X | X | | |
| 4. Position Maintenance | | | | |
| <i>a) Internal Position Transfer</i> | X | X | | |
| <i>b) Position Netting</i> | X | X | | |
| 5. Report Download & Printing | X | X | X | X |

where

PT = Pre-Trading Period
TPT = Trading and Post Trading Period
AB = After Business Period
BT = Batch Processing Period
X = Functions available

All clearing input functions will be allowed up to the System Input Cutoff Time, which is normally the start of the After Business Period except that any submission of trade adjustment request in respect of a Block Trade will be allowed up to 30 minutes prior to the System Input Cutoff Time. After AB, only clearing inquiries and report download will be allowed.

4.2 Repealed

4.3 Clearing Functions Performed By SEOCH at Its Discretion Upon SEOCH Participants' Instructions

Certain clearing functions cannot be performed by SEOCH Participants directly. SEOCH will, at its discretion, perform all such clearing functions upon the proper delivery of instructions from a SEOCH Participant. Each transaction processed by SEOCH will be subject to a processing fee at such rate as may be prescribed by the SEOCH Board from time to time. Instructions must be received by SEOCH no later than the System Input Cutoff Time to be assured of same day processing.

4.4 Repealed

4.5 DCASS Reports

Various clearing reports and data files are generated by DCASS after the completion of After Business and Batch Processing. For details on the various DCASS reports available, please refer to the *DCASS Terminal User Guide*.

