

18. CCASS SETTLEMENT INSTRUCTIONS

18.1 Manual Process for Issuing Settlement Instructions

Under normal circumstances, all delivery instructions resulting from exercise and assignment of options contracts will be included in the Exercised Options Trade (EOT) file submitted to CCASS and accepted by HKSCC on the day of exercise (day T). However, if for any reason the Exercised Options Trades generated from DCASS to CCASS are rejected due to technical or transmission failure, certain contingency arrangements will be invoked such as using manual input of Settlement Instructions (SI) to CCASS to replace the EOT file which CCASS failed to receive. SEOCH will notify the relevant SEOCH Participants or the CCASS GCPs, where applicable, and require them to arrange for the input of appropriate Settlement Instructions for the Exercised Options Trades in CCASS.

Notice will normally be given to the SEOCH Participant or the CCASS GCP, where applicable, on or before 2:00 p.m. on the trading day following the exercise day. The SEOCH Participant or the CCASS GCP, where applicable, is required to arrange for the input of Settlement Instructions to CCASS, based on the information shown in the Clearing Information Window of DCASS or instructions from SEOCH, on or before 11:00 a.m. on T+2, with T+2 being the settlement day.

Failure to comply with this could result in the SEOCH Participant being in default. It is therefore important that the SEOCH Participant or the CCASS GCP, where applicable, be prepared for this contingency.