

GENERAL RULES OF CCASS

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CHAPTER 25

GUARANTEE FUND

2502. Contributions by Clearing Participants

Each Clearing Participant shall pay to HKSCC the Basic Contribution and the Dynamic Contribution, being two types of contributions to the Guarantee Fund, in accordance with the Rules. HKSCC shall credit the Basic Contributions and Dynamic Contributions by Clearing Participants to the Guarantee Fund.

(i) Basic Contribution

Subject to this Rule, ~~and~~ Rule 2509B and Rule 2509D, the amount of Basic Contribution from time to time required to be made by each Clearing Participant shall be determined by reference to and shall be subject to such adjustments as are provided in the Operational Procedures.

(ii) Dynamic Contribution

There is no minimum amount of Dynamic Contribution required to be made by each Clearing Participant or minimum size of the aggregate Dynamic Contributions by all Clearing Participants. Subject to this Rule, Rule 2507A, Rule 2508, Rule 2509, ~~and~~ Rule 2509B and Rule 2509D, the amount of the Dynamic Contribution from time to time required to be made by each Clearing Participant shall be determined by reference to and shall be subject to such adjustments as are provided in the Operational Procedures or as HKSCC may from time to time prescribe.

2509B. Clearing Participants to replenish Guarantee Fund

Following the occurrence of a Relevant Event, any review of the Guarantee Fund size apart from under Rule 2508 shall be suspended during the relevant Capped Liability Period. Upon the expiry of the relevant Capped Liability Period, HKSCC shall review the size of the Guarantee Fund and the Basic Contribution and/or Dynamic Contribution required from each Clearing Participant in accordance with Rule 2502. Subject to Rule 2509D, HKSCC will notify the Clearing Participant of any replenishment amount required as Basic Contributions and/or Dynamic Contributions as a result of the review. The Clearing Participant shall make such Contributions no later than the first Business Day after the date of the notice, or within such other time period as may be specified by HKSCC. Any such Contributions made by the Clearing Participant following the expiry of such Capped Liability Period shall only be applied in respect of Relevant Events which occur after the expiry of the relevant Capped Liability Period and shall not be applied in respect of any Relevant Event that occurred prior to the expiry of such Capped Liability Period.

2509D. Termination of participation in CCASS for limiting liability following the expiry of a Capped Liability Period

(i) Where a Clearing Participant wishes to terminate its participation in CCASS to limit its liability to any subsequent Events of Default that may occur following the expiry of the applicable Capped Liability Period, it must:

(a) submit a notice of termination of participation in CCASS to HKSCC and receive an acknowledgement from HKSCC; and

(b) successfully close out or otherwise discharge its liabilities in respect of all its Markets Contracts in accordance with the Rules prior to the expiry of the Capped Liability Period.

(ii) If the conditions set out in Rule 2509D(i) are met, and notwithstanding Rule 2203, the Clearing Participant will not be subject to the replenishment of Basic Contribution and/or Dynamic Contribution pursuant to Rule 2509B. If the conditions set out in Rule 2509D(i) are not met, the Clearing Participant will be subject to the replenishment of Basic Contribution and/or Dynamic Contribution pursuant to Rule 2509B (and liabilities thereto) upon the expiry of the applicable Capped Liability Period.