

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:

“Extreme Conditions”	means the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below;
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CHAPTER 12A
FOREIGN EXCHANGE SERVICES

12A22. Typhoons, Extreme Conditions and rainstorms

If a Typhoon Signal No. 8 or above is hoisted or lowered, Extreme Conditions are announced or cancelled and/or a Black Rainstorm Warning is issued or cancelled on any Business Day, the provisions set out in the Operational Procedures with respect to the TSF shall apply.

CHAPTER 41
CHINA CONNECT CLEARING SERVICES

4107. Risk Management Measures applicable to China Connect Securities Trades

i. Mainland Settlement Deposit and Mainland Security Deposit

Each China Connect Clearing Participant shall on demand provide to HKSCC such amount of Mainland Settlement Deposit and Mainland Security Deposit for each China Connect Market as may from time to time be determined by HKSCC to be payable by the China Connect Clearing Participant in respect of its or its NCPs’ China Connect Securities Trades on that China Connect Market.

HKSCC shall be entitled from time to time and at any time to compute Mainland Settlement Deposit and Mainland Security Deposit using the formulae set forth in the Operational Procedures or such other methods and assumptions as HKSCC may consider appropriate. Unless HKSCC otherwise specifies, in respect of each China Connect Market, (i) Mainland Settlement Deposit will be computed by reference to the buy turnover in China Connect

Securities and any overdue short CNS stock positions in China Connect Securities of a China Connect Clearing Participant and its NCPs on that China Connect Market and the sell turnover in China Connect Securities that are executed on that China Connect Market by the China Connect Clearing Participant and its NCPs for Special Segregated Accounts; and (ii) Mainland Security Deposit will be computed by reference to the net settlement amount in China Connect Securities Trades of the China Connect Clearing Participant and its NCPs on that China Connect Market under the CNS System.

The calculation and collection of Mainland Settlement Deposit and Mainland Security Deposit and the use of any surplus Mainland Security Deposit shall be made in accordance with the Operational Procedures.

HKSCC shall have the right to satisfy its obligations as clearing participant to the China Connect Clearing House under the relevant Clearing Link with, or otherwise use, funds provided by China Connect Clearing Participants as Mainland Settlement Deposit and Mainland Security Deposit. Without limitation to the foregoing or to application of such funds in accordance with the rules of the China Connect Clearing House, HKSCC may use such funds for money settlement in the event that the usual money settlement procedures between HKSCC and the China Connect Clearing House under the relevant Clearing Link are temporarily delayed or prevented as a result of any Typhoon Signal No. 8 or above, Extreme Conditions, Black Rainstorm Warning, human error or delay, third party or technical incidents or force majeure events, provided that HKSCC will endeavour to replenish the funds used in such money settlement as soon as practicable. For the avoidance of doubt, in such situations HKSCC shall still be liable to pay to a China Connect Clearing Participant an amount equal to the Mainland Settlement Deposit and Mainland Security Deposit provided by it (less any amount if any used to satisfy obligations and liabilities of such China Connect Clearing Participant) in accordance with Rule 4107(v).

4111. Suspension and Cessation of Operation of China Connect Clearing Services and emergency arrangements

Without prejudice to its right under Rule 2601, HKSCC may temporarily suspend or restrict the China Connect Clearing Services or any part thereof in its sole and absolute discretion. Suspension or restriction may be in respect of all or any of the China Connect Securities or any one or more China Connect Markets or China Connect Clearing Houses, and for such duration and frequency as HKSCC may consider appropriate.

The circumstances under which the powers under this Rule 4111 may be exercised include, without limitation, the following:

- (a) in the judgment of HKSCC, orderly, fair and expeditious clearing and settlement arrangements for any transactions in China Connect Securities may not exist or be maintained;
- (b) in the judgment of HKSCC, there are operational or technical issues which must be resolved before the China Connect Clearing Services should continue to be made available or not be restricted;
- (c) where the Commission, a relevant governmental, regulatory or competent authority or a China Connect Clearing House has requested for a suspension or restriction of the China Connect Clearing Services or any part thereof; and

- (d) where all or part of the relevant Clearing Link or Trading Link is suspended for any reason.

If HKSCC decides to suspend or restrict the China Connect Clearing Services or any part thereof under this Rule 4111, HKSCC shall publish an announcement on the HKEX website or by such other means as HKSCC considers appropriate, stating the nature of the suspension or restriction, the effective date and time of suspension or restriction and any other information as HKSCC considers appropriate.

If in the opinion of HKSCC, the operation or functioning of the China Connect Clearing Services is, or is likely to be, severely or adversely threatened or affected by an emergency including but not limited to fire or other casualty or accident, typhoon, Extreme Conditions, rainstorm, power outage, communications breakdown, system failure, computer malfunction, war, riot, civil commotion, labour strike, material change of law or issue of any governmental or regulatory order, decree or judgment having significant impact on the continuous operation of the China Connect Clearing Services, a China Connect Clearing House or a China Connect Market Operator or other similar events, HKSCC shall have full authority to take such actions, steps or measures, whether in relation to the China Connect Clearing Services (including suspension or restriction of access to or use of all or part of the services or change of operational hours) or otherwise as it may deem necessary or appropriate to deal with such emergency.

4112. Typhoons, Extreme Conditions and rainstorms

If Typhoon Signal No. 8 or above is hoisted or lowered, Extreme Conditions are announced or cancelled and/or a Black Rainstorm Warning is issued or cancelled on any Mainland Business Day, the provisions set out in the Operational Procedures with respect to China Connect Clearing Services under such circumstances shall apply.