

GENERAL RULES OF CCASS

**CHAPTER 25
GUARANTEE FUND**

2508. Replenishment of Contributions

Whenever the whole or any part of the Basic Contribution and/or Dynamic Contribution of a Relevant Clearing Participant is applied in accordance with Rules 2507 and 2507A, HKSCC shall require the Relevant Clearing Participant to replenish the deficiency of its Basic Contribution and Dynamic Contribution as a result of such application. HKSCC will notify the Relevant Clearing Participant and demand for replenishment of such deficiency of Contributions in the notice of application to the Relevant Clearing Participant. The Relevant Clearing Participant shall replenish the deficiency of Contributions no later than the first Business Day after the date of the notice of application, or within such other time period as may be specified by HKSCC.

2509. Limit on Relevant Clearing Participant's liability to replenish Contributions

- (i) Notwithstanding Rule 2508, unless otherwise approved by the Risk Management Committee and the Commission, if a Relevant Clearing Participant (other than a Relevant Clearing Participant in default) gives a notice of termination of its participation in CCASS of Clearing Participant pursuant to Rule 2203 in response to a notice of application given to it and HKSCC actually receives such notice of termination on the date of the notice of application or the next Business Day, such Relevant Clearing Participant's aggregate liability to HKSCC to replenish the deficiency of Contributions and provide additional amounts as Contributions in respect of pending applications pursuant to Rule 2508 shall be limited in the manner prescribed below. For the avoidance of doubt, the obligation of the Relevant Clearing Participant to pay to HKSCC the required Basic Contribution and Dynamic Contribution pursuant to Rule 2502 shall in no way be affected. The giving of notice of termination by a Relevant Clearing Participant pursuant to Rule 2203 hereunder shall be without prejudice to Rule 2202 and, for the avoidance of doubt, without prejudice to HKSCC's right to cease to act for the Relevant Clearing Participant immediately.

Where HKSCC has actually received the notice of termination of participation in CCASS of the Relevant Clearing Participant as mentioned in the preceding paragraph, the aggregate liability of the Relevant Clearing Participant to replenish deficiency of Contributions and to provide additional amounts as Contributions pursuant to notices of application given by HKSCC (a) on the Business Day immediately preceding the Business Day on which HKSCC actually receives the notice of termination from the Relevant Clearing Participant; and (b) on or after the Business Day HKSCC actually receives such notice of termination shall be limited to an amount which equals to the Relevant Clearing Participant's required Basic Contribution and Dynamic Contribution on the Business Day HKSCC actually receives the notice of termination by the Relevant Clearing Participant, plus two times such amount. For the avoidance of doubt, any replenishment of Contributions and/or provision of additional amounts in respect of pending applications required from the Relevant Clearing Participant pursuant to notices of application given by HKSCC more than one Business Day preceding the Business Day on which HKSCC actually receives the notice of termination from the Relevant Clearing Participant shall be replenished and provided in full by the Relevant Clearing Participant.