

## **CCASS OPERATIONAL PROCEDURES**

### **Definitions**

- (a) For the convenience of readers, the definitions contained in the Rules are repeated below.

**“Authorised User”**

means, in relation to a Corporate Investor Participant or a Participant other than an Investor Participant, a person approved by that Participant in the manner prescribed by HKSCC as being authorised to access CCASS on behalf of that Participant via its CCASS Terminal or its Participant Gateway or the CCASS Phone System or the CCASS Internet System, as referred to in Rule 704 and Sections 3.4 and 3.10;

**“Customer Service Centre”**

means the location specified by HKSCC from time to time at which Investor Participants may give instructions (in such form as HKSCC may require) in connection with the HKSCC services available to them to HKSCC;

**“DB Nominee Account”**

means in relation to any Participant, any (or, as the context may require, each) bank account denominated in an Eligible Currency maintained by that Participant’s Designated Bank in accordance with the requirements in the FINI Terms and Conditions and the FINI User Guide and approved by HKSCC for FINI money settlement purposes in respect of that Participant’s Electronic Application Instructions for New Issue Shares;

**“Designated Bank Account”**

means, in relation to any Participant, any (or, as the context may require, each) bank account denominated in an Eligible Currency maintained by that Participant with its Designated Bank and approved by HKSCC for money settlement purposes;

**“Electronic Application Instructions for New Issue Shares”**

means instructions by a Participant via FINI for an application to be made on its behalf for New Issue Shares and for the payment of application moneys, as referred to in Rule 1101(vi);

**“Electronic Payment Instruction” or “EPI”**

means a payment instruction generated by HKSCC and forwarded for processing to the Designated Bank of a Participant via the Clearing House of HKAB, to effect (i) money settlement between two Participants in relation to Isolated Trades or SI or ISI Transactions in CCASS on a DVP basis; (ii) payment of money by Clearing Participants or Custodian Participants to their SSA Statement Recipients in respect of STI Transfers on a DVP basis; (iii) payment of fees and expenses by Participants other than Investor

Participants to HKSCC for CCASS services; or (iv) redelivery to China Connect Clearing Participants of Collateral provided to HKSCC for the early release of China Connect Securities that are Securities-on-hold;

**“FINI”**

means “Fast Interface for New Issuance”, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all New Issues;

**“FINI CP User”**

means a Participant which is accepted by HKSCC to use FINI in its capacity as an “HKSCC Participant”;

**“FINI PFR”**

means the pre-funding requirement to be satisfied by a Participant in respect of its Electronic Application Instructions for New Issue Shares, as referred to in Section 8.18A.4;

**“FINI Terms and Conditions”**

means the terms and conditions governing the use of FINI, as from time to time prescribed by HKSCC;

**“FINI User Guide”**

means the "FINI User Guide" of HKSCC in relation to FINI, containing information on the use of FINI by FINI users, as from time to time in force;

**“Operational Procedures”**

means the Operational Procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of the Systems, as from time to time in force;

**“Prospectus”**

means any prospectus, notice, circular or other document offering or calculated to invite offers by the public to subscribe for or purchase securities (including shares, warrants, Depositary Receipts, Debt Securities and Units), as supplemented or amended, and includes, unless inconsistent with the context, its associated application form or forms;

**“Rules”**

means the General Rules of HKSCC as set out herein and as may be amended or modified from time to time and where the context so permits, shall include the Operational Procedures;

**“System”**

means CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC;

- (b) When used in the Operational Procedures, the following expressions shall have the following meanings unless the context otherwise requires:

**“Broker-to-Client Assigned Number” or “BCAN”**

has the code, number or identifier that is assigned to uniquely and consistently identify a client as required under Rule 538A of the Exchange Rules;

**“Client Identification Data” or “CID”**

has the same meaning as defined in the Exchange Rules;

**“EIPO”**

means the arrangement in these Operational Procedures for instructions to be given electronically to HKSCC by Participants via FINI for applications to be made on their behalf for New Issue Shares and for the payment of application moneys, and for those instructions to be acted upon;

**“FINI CHATS Payment Instruction” or “FINI CPI”**

means a CHATS Payment Instruction generated by FINI and transmitted electronically (i) to a Designated Bank requesting that Designated Bank to effect a FINI-related CHATS payment for a paying Participant or (ii) to a bank designated by HKSCC requesting that bank to effect a FINI-related CHATS payment for HKSCC in accordance with the Rules;

**“FINI Report”**

means the report to be generated by FINI in relation to FINI-related activities, including but not limited to EIPO subscriptions, money settlement and FINI CPI, as from time to time prescribed in the FINI User Guide;

## **Section 1**

### **Introduction**

#### **1.3 MAIN CCASS SERVICES**

The main services of CCASS are:

- (i) depository and custodian services, whereby Participants can maintain Eligible Securities in CCASS (for safe-keeping or settlement purposes) and can make deposits into or withdrawals out of CCASS, as reflected in Stock Accounts allocated to them by HKSCC;
- (ii) nominee and similar services in relation to Eligible Securities in CCASS, such as the distribution of dividends, interest and redemption proceeds, forwarding shareholders' circulars, appointment of proxies for voting, etc.;
- (iii) clearing and settlement services in relation to all Exchange Trades based on trade details received from the Exchange, either under the CNS System, whereby HKSCC becomes the settlement counterparty, or under the Isolated Trades System;
- (iiia) clearing and settlement services in relation to all Clearing Agency Transactions based on trade details received from the relevant Clearing Agency Participant, either under the CNS System, whereby HKSCC becomes the settlement counterparty, or under the Isolated Trades System;
- (iiib) China Connect Clearing Services, including clearing and settlement services in relation to all China Connect Securities Trades under the CNS System based on trade details received from the relevant SEHK Subsidiary and the relevant China Connect Clearing House, whereby HKSCC becomes the settlement counterparty to the relevant China Connect Clearing Participants, and nominee and depository services in relation to China Connect Securities held by Participants;
- (iv) nominee, clearing and settlement services in relation to issues of securities (other than New Issues, the services in relation to which are provided by HKSCC through FINI), such as receipt of and compliance with application instructions from Participants and the payment and receipt of refunds in respect of application moneys;
- (v) additional services in relation to the issue and redemption of Units, such as receipt of and compliance with instructions to pay or receive cash or to transfer securities on such issue and redemption and to repay cash and re-transfer securities on cancellation or rejection of such instructions;
- (vi) nominee, clearing and settlement services in relation to issues of Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, such as receipt of and compliance with instructions from Participants to tender for Exchange Fund Notes or Specified Instruments or to apply for Government Bonds or CMU Instruments, and to pay moneys and receive refunds in respect of the tender or application (as the case may be);

- (vii) clearing and settlement services in relation to instructions to transfer Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments between Participants and (in the case of Exchange Fund Notes, Government Bonds and Specified Instruments) Recognized Dealers or (in the case of CMU Instruments) CMU Members;
- (viii) clearing and settlement services in relation to non-Exchange Trades between Participants (the details of such transactions being recorded in CCASS by the input of (a) in the case of Participants other than Investor Participants, Settlement Instructions by the two Participants involved in each such non-Exchange Trade or (b) an Investor Settlement Instruction by a Participant and, if required, affirmation by the relevant Investor Participant or being reported to HKSCC in such other manner as agreed between HKSCC and Participants);
- (ix) money settlement services, in relation to nominee services involving payments (e.g. distribution of dividend payments), or settlement services to be made against payment, whereby HKSCC will, based on details already recorded in CCASS, generate electronic payment instructions to the Designated Banks of Participants or for certain Hong Kong dollar money obligations, the Clearing House of HKAB, as the case may be, for processing;
- (x) the provision of comprehensive statement and/or reporting services to assist and enhance the use of CCASS by Participants in order to enable Participants to obtain the maximum benefit from CCASS; and
- (xi) the provision of risk monitoring and risk management services in relation to CNS stock positions via RMS.

The operation of the CNS System by HKSCC in effect involves HKSCC providing a "guarantee of settlement" for the Exchange Trades, China Connect Securities Trades and Clearing Agency Transactions settled under the CNS System, in favour of Participants which are parties to the Market Contracts.

#### **1.4 ADDITIONAL SERVICES**

HKSCC provides nominee, clearing and settlement services in relation to Electronic Application Instructions for New Issue Shares through FINI.

HKSCC also provides settlement and clearing services in relation to Foreign Securities. Those settlement and clearing services may not be provided through CCASS.

HKSCC, as TSF operator, may also provide FX Services to TSF CCASS

Participants for the purpose of facilitating the settlement of (i) TSF FX Transactions arising from TSF Exchange Trades; and (ii) Stock Release FX Transactions arising from Stock Release Requests.

## **Section 2**

### **Participants**

#### **2.4 MONEY LEDGER**

##### **2.4.3 Money not held by HKSCC**

Unlike Eligible Securities, a Participant's money is in most cases not actually deposited with or held by HKSCC. Such money is in fact usually held in the Designated Bank(s) of the Participant.

The Money Ledger of a Participant is merely a statement of the outstanding money positions in an Eligible Currency between that Participant and HKSCC, to be settled between them.

Money obligations between a Participant and HKSCC in an Eligible Currency which are recorded in the sub-accounts of its Money Ledger will be settled on a daily basis at day end by HKSCC issuing "Direct Debit Instructions" or "DDIs" or "Direct Credit Instructions" or "DCIs" to the Designated Bank of the Participant, except that (i) money obligations of CNS stock positions in China Connect Securities will be settled on a daily basis by HKSCC issuing "CHATS Payment Instructions" or "CPIs" to the Designated Bank of the Participant or a bank designated by HKSCC on T-day or T+1, as the case may be, in accordance with Section 10A.4.5; (ii) Intra-day Payments during a Business Day or a Settlement Day will be effected on the same day by way of "Intra-day Payment Instructions" or "IPIs" issued to the Designated Bank of the Participant and the Clearing House of HKAB, where applicable, for certain money obligations in Hong Kong dollars at around 2:30 p.m. or such other time as may be specified by HKSCC; (iii) the Billing Account for Participants other than Investor Participants will be settled in Hong Kong dollars by EPIs on a weekly basis and the Billing Accounts for Investor Participants will be settled in Hong Kong dollars by DDIs on a monthly basis; and (iv) dividend collection fees and interest collection fees will be collected by HKSCC in the Eligible Currencies in which the relevant securities are denominated and deducted by HKSCC at source before payment. Please refer further to Section 14.

Money obligations as between Participants arising out of the settlement of transactions in CCASS on a trade for trade basis or as a result of Electronic Application Instructions for New Issue Shares are not recorded in the Money Ledgers

of Participants. Details of such money obligations are set out in the statements, the Settlement Reports or the relevant FINI Report (as the case may be) of Participants, which are available on a daily or activity driven basis. HKSCC will also facilitate settlement of such money obligations. Please refer further Sections 11.5, 12.1.7 and 12.3.7.

## **2.5 AUTHORISED SIGNATORIES**

**2.5.4** A Joint Individual Investor Participant is deemed to have authorised HKSCC to accept instructions (a) from any one individual member in relation to deposits, withdrawals, affirm ISIs, Tender Instructions, Transfer Instructions, instructions relating to nominee activities and enquiries on the Stock Account and (b) from all individual members in relation to changes to its Designated Bank Account, changes to any details of the Joint Individuals Investor Participant previously provided and termination of its participation in CCASS.

## **Section 3**

### **CCASS Terminals/CCASS Phone System/CCASS Internet System/ Participant Gateways/RMS**

## **3.5 ACCESS CONTROL OF CCASS TERMINALS AND PARTICIPANT GATEWAYS**

### **3.5.4 Input Transaction Limit of an Authorised User**

The extent to which a particular Authorised User of a Participant can input via a CCASS Terminal certain instructions (other than Tender Instructions) into CCASS will be determined by the Input Transaction Limit (if any) specified by the Participant for that Authorised User.

Instructions which can be made subject to Input Transaction Limits are :

- (i) Account Transfer Instructions or ATIs;
- (ii) Settlement Instructions or SIs;
- (iii) Delivery Instructions or DIs;
- (iv) instructions relating to "Change DI Requirement" function (see Section 13.2.3);
- (v) Investor Settlement Instructions or ISIs;
- (vi) Input Recall Request;

(vii) Change Cash Compensation Indicator; and

(viii) Cash Prepayment Instructions.

Save in the case of SIs, ISIs and Cash Prepayment Instructions, instructions input into CCASS by an Authorised User of a Participant via a CCASS Terminal which exceed his Input Transaction Limit will not be entertained by HKSCC. If an SI, ISI or Cash Prepayment Instruction input into CCASS by an Authorised User of a Participant via a CCASS Terminal exceeds his Input Transaction Limit, the respective instruction will remain pending the authorisation of another Authorised User of the Participant with the necessary Input Transaction Limit. In general, the value of the Eligible Securities which are subject to instructions input into CCASS via a CCASS Terminal by an Authorised User will be compared with any Input Transaction Limit applicable to him. For further details, please see the CCASS Terminal User Guide.

A Participant may alter the Input Transaction Limits of its Authorised Users at any time through its Delegated Administrator via a CCASS Terminal.

### **3.10 CCASS PHONE SYSTEM AND CCASS INTERNET SYSTEM**

#### **3.10.1 CCASS Phone System and CCASS Internet System available for Investor Participants and SSA Statement Recipients**

Once a stock account is opened, an Investor Participant can operate its Stock Account, give instructions on corporate activities, give Tender Instructions, input ISIs, affirm ISIs, enquire stock balance and input activities via the CCASS Phone System by using a touch-tone phone or at the Customer Service Centre. In addition, an Investor Participant using services available via the CCASS Internet System can give on-line instructions on corporate activities, give Tender Instructions, input ISIs, affirm ISIs, enquire stock balance and input activities, receive notices and statements. Transfer Instructions must be submitted by the Investor Participant to the Customer Service Centre using the Transfer Instruction Form.

Once a SSA with Statement Service is opened by a Clearing Participant or a Custodian Participant and SSA Statement Recipient in respect of the SSA with Statement Service is named and/or maintained by that Participant, the SSA Statement Recipient can enquire stock balance and stock movement activities in respect of the SSA with Statement Service via the CCASS Phone System by using a touch-tone phone. In addition, such SSA Statement Recipient using services available via the CCASS Internet System can enquire stock balance and stock movement activities in respect of the SSA with Statement Service, and receive advices, statements and reports relating to that SSA with Statement Service.



Where the Clearing Participant or Custodian Participant naming and/or maintaining a SSA Statement Recipient has indicated to HKSCC through the account maintenance function that the SSA Statement Recipient is authorised by the Participant to affirm STI in respect of the SSA with Statement Service and/or to give instruction in relation to actions affecting Eligible Securities in the SSA with Statement Service that are to be voted upon for the account of the Participant, the SSA Statement Recipient may affirm STI and/or give voting instructions in respect of the SSA with Statement Service for the account of the Participant via the CCASS Phone System by using a touch-tone phone and via the CCASS Internet System.

## **Section 6**

### **Operational and Service Schedule**

#### **6.2.1 Daily Processing and Service Schedule in relation to Eligible Securities Other than China Connect Securities**

For the purpose of this Section 6.2.1, references to “Eligible Securities” shall mean Eligible Securities other than China Connect Securities.

<b>Time</b>	<b>CCASS (including RMS) events</b>
7:00 a.m.	Revaluation of General Collateral Inventory  Commencement of RMS for retrieval of reports and data files
7:15 a.m.	Commencement of the following services and functions through CCASS Terminal and Participant Gateway where applicable:  (i) clearing services (SI and ATI/STI upload functions); and  (ii) clearing and settlement services enquiry functions, Enquire Broadcast Message function and report retrieval functions.

All previous day's reports are available for retrieval

8:00 a.m.

Commencement of the following services and functions through CCASS Terminal and Participant Gateway where applicable:

- (i) clearing services (SI/ISI maintenance and ISI upload functions);
- (ii) ATI/STI and Mass ATI/STI maintenance functions;
- (iii) SSA maintenance and upload functions;
- (iv) Cash Prepayment Instruction, Cash Prepayment / TSF Payment Standing Instruction, Intra-day Payment Standing Instruction and Nominee Payment (Evening) Standing Instruction maintenance functions;
- (v) subscription, election, voting instructions, Tender Instructions (except where such day is the tender or application start date) and Corporate Representative / Proxy instructions maintenance functions; and
- (vi) CA ISO Message Service maintenance functions.

9:00 a.m.

Commencement of the following services and functions through CCASS Terminal and Participant Gateway where applicable:

- (i) [Repealed]
- (ii) Tender Instructions (if such day is the tender or application start date) maintenance function; and
- (iii) Collateral Security maintenance and upload functions.

First batch of scrip entitlement distribution

Commencement of book-entry deposit / withdrawal orders maintenance functions

9:15 a.m.

Commencement of Unit Creation / Redemption Orders maintenance functions

First SI matching

	<b>First STI Batch-run</b>
9:30 a.m.	Commencement of the following services and functions, through CCASS Terminal and Participant Gateway where applicable: <ul style="list-style-type: none"><li>(i) settlement services (DI input, input of recall and return request, if appropriate);</li><li>(ii) Stock Release Request maintenance functions for TSF CCASS Participants;</li><li>(iii) depository services (deposits and withdrawals of Eligible Securities by Participants);</li><li>(iv) submission of Transfer Instructions; and</li><li>(v) CCMS services.</li></ul>
9:45 a.m.	Second batch of scrip entitlement distribution
10:00 a.m.	Second SI matching
	Second STI Batch-run
	First Collateral Security Batch-run
	Commencement of online services through RMS
10:15 a.m.	First TSF Share De-earmarking Process
10:30 a.m.	First Batch-settlement-run
11:00 a.m.	Revaluation of General Collateral Inventory and collateralization of intra-day Marks, and (if HKSCC collects intra-day Margin on such date which is a Trading day with no Afternoon Session) intra-day Margin
	Deadline for inputting subscription instructions which involve the collection of subscription monies by CPIs: or where the deadline for subscription imposed by the relevant Issuer falls on such day

11:30 a.m.	Third SI matching
	Third batch of scrip entitlement distribution
11:45 a.m.	Second TSF Share De-earmarking Process
12:00 noon	Deadline for inputting election instructions where the deadline for election imposed by the relevant Issuer falls on such day
	Deadline for submitting Transfer Instructions to be effected on the same day on a delivery versus payment basis in CMU to HKSCC
	Second Batch-settlement-run
12:45 p.m.	Third STI Batch-run
	Second Collateral Security Batch-run
1:00 p.m. (after)	First batch of Corporate Announcement Master Data File and Corporate Announcement Maintenance Activities Report available
1:15 p.m.	Deadline for inputting Intra-day Payment Standing Instructions in order to have such instructions effected on the same day
1:30 p.m.	Fourth SI matching
	Fourth batch of scrip entitlement distribution
1:45 p.m.	Third TSF Share De-earmarking Process
2:00 p.m.	Third Batch-settlement-run
	Deadline for submitting Transfer Instructions to be effected on the same day on a free of payment basis in CMU to HKSCC
	Deadline for inputting Cash Prepayment Instructions with “CHATS” selected as the payment method
	Deadline for submitting Tender Instructions to HKSCC in respect of an issue of Government Bonds or CMU Instruments

whose application lists close on such day

Collateralization of intra-day Margin (if HKSCC collects intra-day Margin on such date which is a normal Trading day)

2:00 p.m. (after) Final Clearing Statement or FCS in respect of Exchange Trades effected on or reported to the Exchange and Clearing Agency Transactions concluded on previous day, available to Clearing Participants and Clearing Agency Participants

2:30 p.m. Fifth SI matching

Deadline for inputting Cash Prepayment Instructions with “OTHERS” selected as the payment method

2:30 p.m. (around) Generation of Intra-day Payment Instructions by HKSCC

3:00 p.m. Close of book-entry deposit / withdrawal orders maintenance functions

3:15 p.m. Sixth SI matching

Fifth batch of scrip entitlement distribution

3:30 p.m. Fourth STI Batch-run

Fourth TSF Share De-earmarking Process

Deadline for inputting Nominee Payment (Evening) Standing Instruction in order to have the evening distribution of nominee payment to start on the same day, subject to acceptance of the Nominee Payment (Evening) Standing Instruction by HKSCC

3:30 p.m. (after) Second batch of Corporate Announcement Master Data File and Corporate Announcement Maintenance Activities Report available

3:45 p.m. Close of clearing, settlement and depository services (except for enquiry, report retrieval and collection of securities)

Close of subscription instruction maintenance functions

Close of CCMS stock transfer maintenance service

Deadline for the input of Tender Instructions to HKSCC in respect of the issue of Exchange Fund Notes or Specified Instruments, the deadline being two Business Days before the tender date (as specified in the tender notice)

Seventh SI matching

Final Batch-settlement-run

- |                    |  |
|--------------------|--|
| 4:00 p.m.          | Close of Stock Release Request maintenance functions for TSF CCASS Participants  |
| 4:00 p.m. (after)  | Subscription instruction maintenance functions re-open (HKSCC will announce by broadcast message when subscription instruction maintenance functions re-open)  |
|                    | Second session of ATI input service commences (HKSCC will announce by broadcast message when the second session of ATI input service is available to Participants) and CCMS stock transfer maintenance services commence |
| 4:05 p.m. (around) | Generation of DDIs, DCIs and EPIs by HKSCC for same day settlement   |
| 4:15 p.m.          | Deadline for inputting voting instructions and Corporate Representative/Proxy instructions where the deadline prescribed by HKSCC for inputting such instructions falls on such day                                      |
|                    | Sixth batch of scrip entitlement distribution  |
|                    | First TSF Share Earmarking Process   |
|                    | Fifth TSF Share De-earmarking Process  |
| 4:25 p.m.          | Close of Unit Creation/ Redemption Orders maintenance functions  |
| 5:00 p.m.          | Eighth SI matching   |
| 5:00 p.m. (after)  | Commencement of the second session of clearing services (SI/ISI maintenance and upload) (HKSCC will announce by  |

broadcast message when second session of clearing services is available to Participants)

First batch of PCS in respect of Exchange Trades effected on or reported to the Exchange current day available to Clearing Participants and Clearing Agency Participants

Fifth STI Batch-run (for STI Transfers to be effected on FOP basis only)

Third Collateral Security Batch-run

5:15 p.m. Seventh batch of scrip entitlement distribution

6:00 p.m. Close of Collateral Security maintenance and upload functions

Final SI matching

Eighth batch of scrip entitlement distribution

Fourth Collateral Security Batch-run

6:00 p.m. (after) Settled Position Report and third batch of Corporate Announcement Master Data File and Corporate Announcement Maintenance Activities Report available

7:00 p.m. Close of SI/ISI maintenance and ISI upload, Cash Prepayment / TSF Payment Standing Instruction maintenance, Intra-day Payment Standing Instruction maintenance, Nominee Payment (Evening) Standing Instruction maintenance, CCMS cash transfer and stock collateral maintenance services and Tender Instructions, subscription, election, voting, Corporate Representative/Proxy instructions maintenance functions and CA ISO Message Service maintenance functions

Deadline for inputting subscription instructions where the deadline for subscription imposed by the relevant Issuer falls on the next Business Day at or before 12:00 noon

Ninth batch of scrip entitlement distribution

7:15 p.m. (after) Revaluation of General Collateral Inventory and collateralization of day-end Marks, and day-end Margin

7:30 p.m.	Close of ATI/STI maintenance and SI upload functions
	Online services through RMS close
7:45 p.m.	Close of Mass ATI/STI maintenance function
8:00 p.m.	Final batch of scrip entitlement distribution
	Close of all enquiries, except for CCMS enquiry and Enquire Broadcast Message functions
	Close of ATI/STI upload functions
8:00 p.m. (after)	Second batch of PCS in respect of Exchange Trades effected on or reported to the Exchange and Clearing Agency Transactions concluded on current day available to Clearing Participants and Clearing Agency Participants
	Final STI Batch-run (for STI Transfers to be effected on FOP basis only)
8:30 p.m.	Second TSF Share Earmarking Process
	CCMS enquiry functions close
8:30 p.m. (around)	Generation of DDIs, DCIs and EPIs by HKSCC for settlement on the next Business Day
9:30 p.m.	Report retrieval and Enquire Broadcast Message functions through CCASS Terminal and Participant Gateway close
12:00 a.m.	Report retrieval through RMS close

*Notes :*

- (i) Deposit and withdrawal services for Eligible Securities subject to book-close dates will be closed at 12:00 noon and 2:00 p.m. respectively on the last Business Day before the relevant book-close dates (where no book-close date is announced, HKSCC shall by broadcast message announce the cut-off time for deposit and withdrawal services with respect to the relevant Eligible Securities). Deposit and withdrawal services for eligible Debt Securities subject to CCASS Record Dates will be closed at 12:00 noon and 2:00 p.m. respectively on the relevant CCASS Record Date.



- (ii) Report retrieval functions through CCASS Terminal and Participant Gateway are available on Saturdays (except public holidays).
- (iii) The schedule set out above is indicative only.
- (iv) On each Settlement Day, the final Batch-settlement-run will include the following processes:-
  - final Batch-settlement-run - Part 1
  - CSB run
  - 1st Auto-return run - for recalled CSB loans
  - final Batch-settlement-run - Part 2
  - 2nd Auto-return run - for all other CSB loans
  - settlement of TSF Final FX Position by the Evening FX Settlement Time

The final Batch-settlement-run - Part 1 will determine all unsettled due/overdue CNS long positions. The CSB run will determine the aggregate of the total quantity of unsettled due/overdue CNS long positions and the total quantity of Eligible Securities in respect of which notices of recall have been served (rounded up to a multiple of board lot) for each Eligible Security and will automatically generate compulsory borrowing request(s) for each Eligible Security for matching with Eligible Securities credited to Stock Lending Accounts in accordance with Section 10.7.

The borrowed securities will be credited to HKSCC's Stock Account and will be used in the following order:

- (a) to settle outstanding Compulsory Stock Borrowing Transactions in respect of which a notice of recall has been served by the Lenders via the 1st Auto-return run;
- (b) to settle the unsettled CNS long positions via the final Batch-settlement-run - Part 2; and
- (c) to settle outstanding Compulsory Stock Borrowing Transactions in respect of which no notice of recall has been served by the Lender, but in respect of which HKSCC has elected to exercise its right of termination under the Compulsory Stock Borrowing and Lending Regulations via the 2nd Auto-return run.

The settlement of TSF Final FX Position by the Evening FX Settlement Time will follow the procedures set forth in Section 12A.4.4.

- (v) Tender Instructions maintenance functions and enquiry and report retrieval

functions are available on Saturdays from 8:00 a.m. to 1:00 p.m.

- (vi) First session of CCASS-To-CCMS stock transfer maintenance and CCMS-To-CCASS stock transfer maintenance closes at 3:45 p.m. and the second session commences at approximately 4:00 p.m. and closes at 7:00 p.m.
- (vii) Three batches of scrip entitlement distribution take place on Saturdays (except public holidays) at 9:45 a.m., 11:30 a.m. and 1:00 p.m. respectively.

## **Section 7**

### **Depository and Related Services**

#### **7.14 UNCERTIFICATED ELIGIBLE SECURITIES**

##### **7.14.2 Custodian Services in relation to China Connect Securities**

China Connect Securities are uncertificated securities. Physical deposit of China Connect Securities with and physical withdrawal of China Connect Securities from CCASS or the relevant China Connect Clearing House is not available. Accordingly, Rules relating to the physical deposit and withdrawal of securities are not applicable to China Connect Securities.

China Connect Securities are held by HKSCC for the account of Participants in an omnibus account maintained by HKSCC with the relevant China Connect Clearing House under a Clearing Link (including a central securities depository link) and are recorded in computerized form in CCASS. China Connect Securities may be credited to and debited from a Participant's Stock Account as a result of (a) the clearing and settlement of China Connect Securities Trades, and (b) the provision of any other China Connect Services by HKSCC to the Participant. HKSCC shall not be obliged to open or maintain any sub-account with the relevant China Connect Clearing House for a Participant or any other person in respect of China Connect Securities. However, HKSCC has in place daily reconciliation procedures with the relevant China Connect Clearing House and within CCASS to ensure that the credits and debits of China Connect Securities to and from each Participant's Stock Accounts are accurate.

The China Connect Securities that are credited by the relevant China Connect Clearing House to the omnibus account maintained by HKSCC with such China Connect Clearing House, and the China Connect Securities that are credited by HKSCC to the Stock Account of each Participant within CCASS, shall be held by HKSCC as nominee holder only. HKSCC has no proprietary interest in and is not the beneficial owner of any China Connect Securities held or recorded in such accounts. All proprietary interests in respect of China Connect Securities belong to the Participants or their clients (as the case may be).

As permitted in the Rules, Participants may hold their China Connect Securities in one or more Stock Segregated Accounts within CCASS. In addition, Custodian Participants and General Clearing Participants which are not Exchange Participants may hold their China Connect Securities in Special Segregated Accounts within CCASS.

HKSCC provides services to Participants as set out in Chapters 8, 11 and 41 of the Rules and the related Operational Procedures to enable them and their clients (as appropriate) to exercise their rights as owners of proprietary interests in China Connect Securities, including the right to receive dividends and other distributions and the power to exercise voting rights. Unless specifically provided for in the Rules, HKSCC will not exercise any right arising from or in relation to any China Connect Securities without the instruction of the Participants.

## **Section 8**

### **Nominee Services**

#### **8.2 GENERAL PRINCIPLES**

##### **8.2.1 Scope and procedures**

The scope of and the manner in which nominee and similar services in respect of (a) Eligible Securities deposited into or otherwise held or recorded in CCASS, (b) Electronic Applications for New Issue Shares and other electronic applications for securities and (c) Tender Instructions that will be provided by HKSCC to Participants will be as determined by HKSCC from time to time.

HKSCC intends to monitor all corporate actions or activities affecting Eligible Securities and to keep Participants informed of all such actions and activities which require Participants to take steps in order to participate in them.

Generally, the types of corporate actions or activities in respect of which nominee services are provided by HKSCC, as well as the procedures adopted by HKSCC in relation thereto, are set out in Section 8.4 to Section 8.20C. The procedures for giving Electronic Application Instructions for New Issue Shares and Tender Instructions are set out in Sections 8.18A and 8.19 respectively. If there is any change to such procedures, or if any of the foregoing services will not be provided, HKSCC will inform Participants other than Investor Participants via CCASS Terminals, Participant Gateways and/or by way of circulars and in the case of Investor Participants, by the CCASS Phone System, by the CCASS Internet System, by way of circulars and/or in the activity statement.

In respect of (a) corporate actions or activities affecting Eligible Securities and (b) matters relating to Electronic Application Instructions for New Issue Shares and other electronic applications for or in connection with securities and Tender Instructions which are not dealt with in Section 8.4 to Section 8.20C, HKSCC will usually inform Participants other than Investor Participants via CCASS Terminals, Participant Gateways, SWIFT (for subscribers of the CA ISO Message Service only) and/or by way of circulars and in the case of Investor Participants, by the CCASS Phone System, by the CCASS Internet System, by way of circulars and/or in the activity statement as to whether or not nominee services will be provided and, if so, the procedures to be adopted.

Although HKSCC intends to provide fairly comprehensive nominee services to Participants in relation to corporate actions or other matters affecting Eligible Securities to the extent commercially reasonable and practicable, nothing in this Section 8 should be regarded as creating in any way an obligation on the part of HKSCC to provide nominee or other services to Participants except as provided in the Rules.

If Eligible Securities credited to a Participant's Stock Account under an ISI Transaction are on hold, HKSCC may limit the scope and extent of nominee services to be provided with respect to them.

In the case of Foreign Securities, a Participant's entitlement to receive nominee services will be determined by reference to the rules and procedures of the Appointed Depository with which the Foreign Securities are held and by reference to the appropriate holding of the Foreign Securities by HKSCC on behalf of the Participant in HKSCC's stock account maintained with that Appointed Depository as at the book-close or record date as determined by that Appointed Depository.

In the case of China Connect Securities, a Participant's entitlement to receive nominee services will be determined by reference to the rules and procedures of the China Connect Clearing House with which the China Connect Securities are held or the rules and procedures of the China Connect Market on which the China Connect Securities are listed and by reference to the appropriate holding of China Connect Securities by HKSCC on behalf of the Participant in HKSCC's stock account maintained with the China Connect Clearing House as at the record date as determined by the China Connect Clearing House or the relevant issuer.

### **8.2.2 HKSCC's role**

HKSCC's role as provider of nominee services (i) in relation to the four broad categories of corporate actions or activities affecting Eligible Securities and (ii) insofar as Eligible Securities other than China Connect Securities are concerned, in relation to (a) Electronic Application Instructions for New Issue Shares, (b) Tender Instructions and (c) electronic applications for issue and redemption of Units can be

summarised as follows:

- (i) **Announcement/communication:** this refers to announcements by issuers or Depositaries of Eligible Securities (eg. declarations of dividends or announcements of notifiable transactions) or announcements by third parties affecting holders of Eligible Securities (eg. announcements of take-over offers) as well as the distribution of corporate communications by the issuers of Eligible Securities other than China Connect Securities to holders of those Eligible Securities other than China Connect Securities and by Depositaries (eg. release of annual reports, circulars to shareholders containing details of notifiable transactions etc.). Here, the role of HKSCC as provider of nominee services to Participants will be to endeavour to bring the relevant matters to the attention of the Participants concerned or to arrange for the distribution of copies of relevant corporate communications to Participants;
  
- (ii) **Voting:** this refers to actions or activities affecting Eligible Securities that are to be voted upon by the holders of those Eligible Securities. Here, the role of HKSCC will be to endeavour (i) to obtain the instructions of Participants and, where applicable, instructions of SSA Statement Recipients in relation to the Eligible Securities in SSA with Statement Service for the account of Clearing Participants or Custodian Participants, (ii) to vote, (iii) if appropriate, to make a demand for poll on their behalf, and (iv) where the applicable laws, rules or regulations or the constitutional documents of the relevant Overseas Issuer or issuer so permit or require, to appoint persons nominated by Participants and, where applicable, by SSA Statement Recipients as aforesaid to attend meetings directly. In respect of Uncertificated Securities, this refers to or may include (where applicable or where the applicable laws, rules or regulations or the constitutional documents of the relevant Overseas Issuer or issuer so permit or require), HKSCC communicating or passing on any voting or other instructions, proxy nominations or appointments or all other authorizations, declarations, requests or information received from Participants and, where applicable, from SSA Statement Recipients to the relevant Overseas Issuer or issuer or its authorized agents or representatives including the Overseas Issuer or issuer's principal or branch share registrar. Notwithstanding the foregoing, HKSCC shall not be obliged to communicate, vote or take any action on behalf of Participants or their SSA Statement Recipients where communication, voting or the taking of action must be performed in person at a place outside of Hong Kong instead of by facsimile or electronic means.
  
- (iii) **Entitlements/actions (not requiring the exercise of discretion) :** this refers to actions or activities affecting Eligible Securities, such as dividend payments, issues of bonus shares, interest payments, bond and note redemption etc. where no decision is required to be made by Participants as the holders of Eligible Securities. Here, the role of HKSCC will be to endeavour to collect

the entitlements and distribute them to Participants;

- (iv) Entitlements/actions (requiring the exercise of discretion): this refers to actions or activities affecting Eligible Securities such as rights issues, take-over offers, bond conversion, redemption of shares, etc. where Participants, as the holders of Eligible Securities, are expected to decide whether or not, or how, to participate in such actions or activities. Here, provided that it is practicable or legally permissible for HKSCC to do so, HKSCC's role as provider of nominee services will be to endeavor to collect instructions etc. from Participants and to take action on their behalf or to facilitate the taking of actions by Participants directly;
- (v) Electronic Applications for New Issue Shares: HKSCC's role will be to endeavour to obtain Electronic Application Instructions for New Issue Shares from Participants which are FINI CP Users and (a) to cause the Nominee to apply for New Issue Shares on their behalf, (b) to inform such Participants' Designated Banks of their FINI PFRs and final settlement obligations; (c) to arrange payment of money via FINI CHATS Payment Instructions to be issued by HKSCC via FINI, (d) upon receipt of allotted New Issue Shares and file(s) containing information as to the identity of Participants to whom New Issue Shares have been allocated and the number of New Issue Shares allocated to each of them, to cause such allotted New Issue Shares to be credited to the Stock Accounts of the relevant Participants and (e) upon cancellation of the New Issue or any other circumstances requiring a refund as provided in the Prospectus, to generate FINI CHATS Payment Instructions for the purpose of arranging payment of the refund money;
- (vi) Tender Instructions: HKSCC's role will be to endeavour to obtain Tender Instructions from Participants and (a) to collect the moneys payable in respect of the tender or application by debiting the Participants' Money Ledgers, (b) to cause HKSCC or its nominee to tender or apply for Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments on their behalf, (c) to return moneys to the relevant Participants as soon as practicable if the tender or application is unsuccessful or partially successful and (d) upon allotment of the Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments, to cause them to be credited to the Stock Accounts of the relevant Participants; and
- (vii) Electronic Applications for Issue and Redemption of Units: HKSCC's role will be to endeavour to obtain instructions from Participants and to arrange payment of moneys due, and transfers of securities to be made, on issue and redemption of Units and to arrange refunds of moneys due, and retransfers of securities to be made, on rejection or cancellation of instructions.

**8.2.3 Scope of nominee services provided by HKSCC**

Full nominee services will normally be provided by HKSCC in respect of the following types of corporate actions or activities :

- (i) corporate announcements - Section 8.4;
- (ii) corporate communications - Section 8.5;
- (iii) voting - Section 8.6;
- (iv) cash dividend entitlements - Section 8.7;
- (v) bonus issues of securities - Section 8.8;
- (vi) dividend entitlements with options - Section 8.9;
- (vii) rights issues - Section 8.10;
- (viii) open offers - Section 8.11;
- (ix) take-over offers - Section 8.12;
- (x) conversion of warrants - Section 8.13;
- (xi) sub-divisions, consolidations etc. - Section 8.14;
- (xii) interest payments - Section 8.15;
- (xiii) conversion of bonds - Section 8.16;
- (xiv) bond, Exchange Fund Notes, Specified Instruments and CMU Instruments redemption - Section 8.17;
- (xv) redemption of shares – Section 8.17A;
- (xvi) Electronic Application Instructions for New Issue Shares - Section 8.18A;
- (xvii) Tender Instructions - Section 8.19;
- (xviii) electronic applications for the issue and redemption of Units - Section 8.20;
- (xix) scrip and/or cash payment relating to Structured Products – Section 8.20A;

(xx) redemption of Structured Products which have a rollover mechanism – Section 8.20B; and

(xxi) requisitions - Section 8.20C.

### **8.3 CORPORATE ANNOUNCEMENT INFORMATION**

#### **8.3.1 Enquiry through CCASS Terminals or CCASS Phone System or CCASS Internet System**

In the case of corporate actions or activities affecting Eligible Securities which require or may require Participants to take steps in order to participate in such actions or activities via CCASS, (e.g. voting, dividends, rights issues, etc.), if nominee services are to be provided, HKSCC will inform Participants other than Investor Participants via CCASS Terminals through the "Enquire Announcement Information" function (for corporate actions or activities affecting Eligible Securities) and, in the case of Investor Participants, via the CCASS Phone System and the CCASS Internet System. Investor Participants will be informed of any issue of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments available for tender or application via the CCASS Phone System and the CCASS Internet System whilst Participants other than Investor Participants can obtain such information via the "Enquire Authorized Tender Announcement" function of CCASS Terminals.

The Enquire Announcement Information screen (in CCASS Terminals) and the Corporate Action Deadline Enquiry facility (in the CCASS Phone System) will contain details of the relevant time-limits to be observed. In the case of Tender Instructions, the Enquire Authorized Tender Announcement screen (in CCASS Terminals) and the Tender Enquiry facility (in the CCASS Phone System) will provide details of time limits of CCASS for accepting Tender Instructions. Participants that wish to participate in such corporate actions or activities shall input their instructions through CCASS Terminals in the case of Participants (other than Investor Participants) or give their instructions via the CCASS Phone System, or the CCASS Internet System or at the Customer Service Centre in the case of Investor Participants.

Participants will have to comply with the relevant procedures stipulated by HKSCC in circulars, Broadcast Messages Service or by other means and any other requirements stated (e.g. the requirements of Issuers of Eligible Securities) in order to participate in corporate actions or activities or to give Tender Instructions.

#### **8.3.4 Entitlement Statement and activity statement**

Other than the Book-Close Reminder and Corporate Action Reminder, the Entitlement Statement of Participants other than Investor Participants will in addition contain the following information :



- (i) details of entitlements receivable and expected payable date with respect to actual holdings of Eligible Securities on the last registration day or record date as determined by the relevant Appointed Depositary, China Connect Clearing House or the relevant issuer (or CCASS Record Date imposed by HKSCC for Eligible Securities issued in bearer form) on which the entitlements of Participants are determined by HKSCC and, also, in the case of Clearing Participants and Clearing Agency Participants, for outstanding long stock positions under the CNS System as at that date, as well as entitlements payable in the case of Clearing Participants and Clearing Agency Participants for outstanding short positions under the CNS System or in the case of Participants with "negative" balances in their Stock Accounts;
- (ii) an update as to entitlements distributed to Participants;
- (iii) relevant fees and/or charges charged to Participants (see Section 21);
- (iv) details of receivables with respect to warrant subscriptions and bond conversions with relevant subscription/conversion money;
- (v) details of receivables with respect to take-over offers, rights subscriptions, scrip and/or cash payment of Structured Products and redemption of bonds, Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, etc; and
- (vi) details of claims relating to unclaimed benefit entitlements and the associated charges.

A detailed explanation of the Entitlement Statement is set out in the CCASS Terminal User Guide for Participants.

In the case of Foreign Securities or China Connect Securities, if the entitlements determination date determined by HKSCC is different from the book-close or record date determined by the relevant Appointed Depositary or China Connect Clearing House or the relevant issuer, or in other limited circumstances (e.g. adjustments made to the Stock Accounts of Participants), HKSCC may make adjustments to the details of entitlements receivables of the Participants concerned.

The activity statement of Investor Participants will, other than the Tender activity section, "Reminder" section, entitlement section and money transaction activities section, contain the following information:

- (i) details of entitlement election activities;
- (ii) details of corporate voting activities;

- (iii) details of subscription activities;
- (iv) registration fees and other relevant fees and/or charges to Investor Participants (see Section 22); and
- (v) details of claims relating to unclaimed benefit entitlements and the associated charges.

### **8.3.6 Information about Electronic Application Instructions for New Issue Shares**

- (i) Enquiry Function:

Information on all New Issue Shares available for input of Electronic Application Instructions for New Issue Shares will be provided through FINI to Participants which are FINI CP Users. For a detailed description of the relevant information, please see the FINI User Guide.

- (ii) Information for Participants which are FINI CP Users :

In the event of any New Issue in respect of which Electronic Application Instructions for New Issue Shares may be given to apply for New Issue Shares, Participants which are FINI CP Users will receive notifications from FINI.

FINI will provide details on the timeline for accepting Electronic Application Instructions for New Issue Shares. Participants which are FINI CP Users that wish to give Electronic Application Instructions for New Issue Shares shall input their instructions through FINI. Such FINI service is not available for Investor Participants.

Details of the FINI functions in relation to the application for New Issue Shares by giving Electronic Application Instructions for New Issue Shares are set out in the FINI User Guide.

- (iii) [Repealed]

### **8.18 [Repealed]**

## **8.18A ELECTRONIC APPLICATION INSTRUCTIONS FOR NEW ISSUE SHARES**

### **8.18A.1 Use of FINI**

Only Participants accepted by HKSCC to use FINI in their capacity as FINI CP Users may submit Electronic Application Instructions for New Issue Shares to HKSCC via

FINI. The use of FINI by a Participant shall be subject to the FINI Terms and Conditions and such eligibility criteria as HKSCC may from time to time prescribe.

Each of the following constitutes acceptance of the FINI Terms and Conditions by a Participant, and the Participant will be deemed to have read and accepted the FINI Terms and Conditions and agreed to be bound by the FINI Terms and Conditions as a “FINI User” (as defined in the FINI Terms and Conditions):

- (i) use of the Participant’s access credentials to access FINI; or
- (ii) any continued use of FINI via the Participant’s access credentials.

The Participants shall also comply with the applicable procedures under the FINI User Guide and such other conditions or requirements which may from time to time be stipulated by HKSCC and notified to the Participants by way of circulars or notifications on FINI.

#### **8.18A.2 General – application instruction**

A Participant which is a FINI CP User may give Electronic Application Instructions for New Issue Shares to HKSCC via FINI (a) to cause the Nominee to apply for New Issue Shares on its behalf and (b) to arrange payment and (where applicable) refund of application money. Where any such Electronic Application Instructions for New Issue Shares are given by a Participant to make application for New Issue Shares, the Participant is deemed to have agreed to the following:-

- (i) Electronic Application Instructions for New Issue Shares given by the Participant must be for the minimum amount or one of the permitted multiple amounts of New Issue Shares specified in the Prospectus;
- (ii) any application made by the Nominee on behalf of the Participant pursuant to Electronic Application Instructions for New Issue Shares given by the Participant is irrevocable for the same period as applications are irrevocable (by contract or statute) under the New Issue;
- (iii) HKSCC shall consolidate all Electronic Application Instructions for New Issue Shares from Participants and shall, having excluded instructions which will or may result in multiple applications or suspected multiple applications (to which paragraph (ix) below will apply), cause the Nominee to apply for the number of consolidated New Issue Shares as nominee on behalf of those Participants who have given Electronic Application Instructions for New Issue Shares to HKSCC and the Nominee shall be authorized to submit an application as agent for Participants;
- (iv) HKSCC is authorized to generate FINI CPI via FINI to the Participant’s

Designated Bank to debit its DB Nominee Account and to credit the account of the receiving bank appointed by the Issuer with payment in full for the New Issue Shares (and all other amounts due, including brokerage, transaction levies and the Exchange's trading fee) in respect of which its application is successful;

- (v) the Participant undertakes and agrees with HKSCC to accept the allocation to it of the New Issue Shares in respect of which it has given Electronic Application Instructions or any lesser number allocated to it;
- (vi) the Participant undertakes and confirms to HKSCC that it has not applied for or taken up any shares in any placing of shares in the capital of the Issuer or any placing of Units or otherwise participated in any such placing;
- (vii) the Participant declares that its Electronic Application Instructions for New Issue Shares to HKSCC to cause the Nominee to apply for New Issue Shares on its behalf will result in there being only one application for or in respect of New Issue Shares made by it or on its behalf (and only one application for or in respect of New Issue Shares intended to be made by it or on its behalf) to benefit it or the person for whose benefit it gave the electronic instructions;
- (viii) the Participant agrees that the above declaration in para (vii) will be relied upon by the Issuer in deciding whether or not to make any allotment of New Issue Shares in response to the application made by the Nominee on its behalf;
- (ix) the Participant agrees that, if (a) it has made multiple applications or is suspected of having made multiple applications or if more than one application is made for its or any of its clients' benefit, or (b) the account of the Issuer's receiving bank is not credited with the full payment required to be made by the Participant for the New Issue Shares (including brokerage, transaction levies and the Exchange's trading fee) in respect of which its application is successful, its application may be rejected in its entirety or in part and the number of New Issue Shares applied for by the Nominee shall be automatically reduced by the number of New Issue Shares in respect of which the Participant's application has been rejected. The Participant further agrees that if it does not fully comply with its FINI PFR or no confirmation is received from its Designated Bank that its FINI PFR has been fully complied with, its application for New Issue Shares will, unless otherwise determined by HKSCC, be rejected in its entirety;
- (x) the Participant agrees that, for the purposes of (a) determining whether a Participant has made multiple applications or an application has been made

for its benefit and (b) allocating New Issue Shares, the Nominee shall not be treated as an applicant and the Issuer may treat the Participant who gave the Electronic Application Instruction for New Issue Shares and/or its clients as an applicant;

- (xi) the Participant authorizes the Issuer, in respect of the New Issue Shares allocated to it, to issue certificates in the name of the Nominee and to deliver the same to the CCASS Depository service counter before the time specified by HKSCC or the Nominee on the day the certificates are to be despatched in accordance with the Prospectus;
- (xii) in the case of a refund of application money, brokerage, transaction levies and the Exchange's trading fee to the Participant, no interest will be paid and the Participant authorizes the Issuer and HKSCC to make payment to effect the refund on the Business Day stated in the Prospectus;
- (xiii) the Participant declares that it has read the terms and conditions and application procedures set out in the Prospectus and agrees to be bound by them;
- (xiv) the Participant confirms that, in giving an Electronic Application Instruction for New Issue Shares it has only relied on the information and representations in the Prospectus and it agrees that the Issuer and the other parties involved in the New Issue are liable only for the information and representations contained in the Prospectus;
- (xv) in making Electronic Application Instructions for New Issue Shares which are H Shares, the Participant additionally agrees as follows:
  - (a) it agrees with the Issuer, for itself and for the benefit of each shareholder of the Issuer (and so that the Issuer will be deemed by its acceptance in whole or in part of the Participant's application to have agreed, for itself and on behalf of each shareholder of the Issuer, with the applicant) to observe and comply with the applicable Company Law, the Special Regulations and the Articles of Association of the relevant Issuer;
  - (b) it agrees with the Issuer, for itself and for the benefit of each shareholder of the Issuer and each director, supervisor, manager and other senior officer of the Issuer (and so that the Issuer will be deemed by its acceptance in whole or in part of the Participant's application to have agreed, for itself and on behalf of each shareholder of the Issuer and each director, supervisor, manager and other senior officer of the Issuer, with the applicant) to refer all

differences and claims arising from the Articles of Association of the Issuer or any rights or obligations conferred or imposed by the applicable Company Law or other relevant laws and administrative regulations concerning the affairs of the Issuer to arbitration in accordance with the Articles of Association of the Issuer, that any award made in such arbitration shall be final and conclusive and that the arbitration tribunal may conduct hearings in open session and publish its award;

- (c) it agrees with the Issuer (for itself and for the benefit of each shareholder of the Issuer) that H Shares in the Issuer are freely transferable by their holders; and
  - (d) it authorizes the Issuer to enter into a contract on behalf of the applicant with each director and officer of the Issuer whereby each such director and officer undertakes to observe and comply with his obligations to shareholders stipulated in the Articles of Association of the Issuer;
- (xvi) HKSCC is authorized to transfer the personal information and application details submitted by the Participant to the Issuer and its appointed agents, regulatory or governmental bodies; and
- (xvii) HKSCC and the Nominee (a) are authorized by the Participant on its behalf to give and make such undertakings, confirmations, understandings, declarations and agreements as are required to be given and made by or on behalf of the Participant in accordance with the terms and conditions of any New Issue or its associated Prospectus, including in respect of the matters described above in this Section 8.18A.2, (b) accept no liability to the Participant arising out of or in connection with any such undertakings, confirmations, understandings, declarations or agreements and (c) will be indemnified by the Participant in respect of any costs, losses, liabilities, expenses, damages, actions, suits or proceedings which they suffer or incur arising out of or in connection with any such undertakings, confirmations, understandings, declarations or agreements.

### **8.18A.3 Optional use of BCAN as a client identifier**

A Participant which is a FINI CP User may use BCAN as a client identifier when giving Electronic Application Instructions for New Issue Shares via FINI, in which case it must ensure (and, if the BCAN is assigned by the Participant's affiliate or client which is an intermediary (as defined in the Securities and Futures Ordinance) to its underlying client, procure such affiliate or intermediary client to ensure) that express prior written consent is obtained for the following:

- (i) the provision of the BCAN to HKSCC allowing HKSCC to retrieve the corresponding CID from the Exchange;
- (ii) HKSCC's processing and storage of the CID and transfer of the CID to the Issuer's share registrar to enable HKSCC and/or the Issuer's share registrar to verify that the client has not made any multiple applications for the relevant subscription for New Issue Shares and to facilitate balloting and settlement; and
- (iii) HKSCC's processing and storage of the CID and transfer of the CID to the Issuer, the Issuer's share registrar, the Commission, the Exchange and any other party involved in the New Issue for the purposes of processing the client's application for the relevant subscription for New Issue Shares, or any other purpose set out in the Prospectus.

The Participant must also ensure that it has incorporated appropriate provisions in its client agreements to allow it to submit Electronic Application Instructions for New Issue Shares on its clients' behalf and ensure that its clients have provided written consents to the use of their personal data in accordance with the personal information collection statement and other applicable terms and conditions set out in the Prospectus. If the Participant's client is an intermediary (as defined in the Securities and Futures Ordinance), the Participant shall require such intermediary to incorporate appropriate provisions in its client agreement to allow the intermediary to submit application for New Issue Shares (whether by the intermediary itself or through the Participant) on its clients' behalf and ensure that its clients have provided written consents to the use of their personal data in accordance with the personal information collection statement and other applicable terms and conditions set out in the Prospectus.

#### **8.18A.4 Designated Bank and FINI PFR**

A Participant which is a FINI CP User shall ensure that its Designated Bank is a Designated Bank which has been accepted by HKSCC to use FINI in the capacity as a "Bank User" as defined in the FINI Terms and Conditions.

The Participant shall enter into appropriate arrangement with its Designated Bank for the operation of the DB Nominee Account (including, without limitation, the direct debit authorizations for giving effect to instructions generated by FINI to debit and/or credit such DB Nominee Account) to facilitate the Participant's compliance with the applicable FINI PFR and money settlement obligations with respect to its Electronic Application Instructions for New Issue Shares. Without prejudice to the above, the Participant shall procure its Designated Bank to complete and submit such debit authorisations (including FINI CPIs) and authorisations to disclose information as HKSCC may prescribe from time to time to HKSCC. Such debit authorisations and authorisations to disclose information include FINI CPIs. By giving this debit authorisation (including FINI CPIs), the Participant's Designated Bank shall accept

debit instructions from HKSCC by way of FINI CPIs in order to effect CHATS payment for FINI money settlement in accordance with Section 8.18A.6.

To determine the FINI PFR applicable to a Participant in respect of a New Issue, the Participant will be given the option to opt in to using a “compressed” pre-funding requirement mechanism on FINI. Once opted in, and until opted out by the Participant, the Participant’s FINI PFR in respect of each future New Issue will be calculated on the basis of an amount not exceeding the value of the entire public offer tranche of the New Issue, assuming the highest tier of clawback is triggered (where applicable) in accordance with the Prospectus, instead of the amount representing the total sum of all its applications multiplied by the highest possible price of the offer price range stipulated in the Prospectus, provided that if the opt in request is made after the commencement of the application period in respect of a New Issue, a “compressed” pre-funding requirement mechanism will not apply to such New Issue and the opt in request will only take effect in respect of each future New Issue until opted out by the Participant. The Participant’s FINI PFR will be made available to the Participant and its Designated Bank on FINI.

In respect of each New Issue for which Electronic Application Instructions for New Issue Shares have been submitted by a Participant, the Participant’s Designated Bank will be required to confirm that there are sufficient funds available in the DB Nominee Account for the Participant to comply with its FINI PFR by sending a response message to HKSCC via FINI in accordance with the procedures set out in the FINI User Guide.

#### **8.18A.5 Procedures**

- (i) Information on New Issue Shares available for electronic application is made available to Participants which are FINI CP Users through the “IPO Reference Data” function of the relevant IPO card in FINI;
- (ii) Participants which are FINI CP Users may input Electronic Application Instructions for New Issue Shares via FINI for their clients and themselves and the Participants will be treated as those giving the application instructions;
- (iii) The quantity of New Issue Shares applied for by a Participant must be one of the acceptable quantities specified by the relevant Issuer in the Prospectus. HKSCC reserves the right to reject instructions to apply for any other quantities of New Issue Shares. The information as to the names, addresses, identification document numbers and number of New Issue Shares in respect of which Electronic Application Instructions for New Issue Shares are given will be transmitted to the registrar for balloting and processing of the application;



- (iv) In respect of application instructions, Participants which are FINI CP Users can input Electronic Application Instructions for New Issue Shares via FINI for making applications during the relevant application period on an approximately 24 hours basis subject to the FINI Terms and Conditions and the FINI User Guide. The latest time for inputting Electronic Application Instructions for New Issue Shares on the last application day is the deadline specified by the Issuer and notified to the Participants via FINI, which is usually 12:00 noon. Participants may cancel their Electronic Application Instructions for New Issue Shares at any time before the application deadline;
- (v) On the last application day, upon a Participant's FINI PFR being made available to the Participant on FINI, the Participant shall procure its Designated Bank to confirm, by sending a confirmation response message to HKSCC via FINI before the prescribed deadline, that there are sufficient funds available in the DB Nominee Account for the Participant to meet its FINI PFR. In case of insufficient funds during the pre-funding window on FINI, a Participant may in exceptional circumstances be permitted by HKSCC to amend and reconfirm its application list via FINI. At the cut-off time as prescribed by HKSCC, a missing or negative confirmation on the Participant's FINI PFR from the Designated Bank will invalidate and remove the Participant's entire application list in respect of the relevant New Issue and the Participant will be deemed to have failed to comply with its FINI PFR, in which case HKSCC may take disciplinary action against the Participant;
- (vi) On the price determination day, upon completion of balloting and pricing, HKSCC will send FINI CHATS Payment Instructions to each Participant's Designated Bank through FINI to transfer such amount of the Participant's application monies as shall represent the value of New Issue Shares allotted to the Participant through the ballot at the final offer price (and all other amounts due on the application, including brokerage, transaction levies and the Exchange trading fee) from its DB Nominee Account to the Issuer's account with its receiving bank(s) to settle such Participant's payment obligation in accordance with the procedures set out in Section 8.18A.6;
- (vii) Upon receipt of file(s) containing information as to the identity of Participants to whom New Issue Shares have been allocated and the number of New Issue Shares allocated to each of them, HKSCC will cause such securities to be credited to the Stock Accounts of the relevant Participants. Upon distribution of securities by HKSCC to such Participants, the Statement of Stock Movement Reports of such Participants will be updated;
- (viii) Upon cancellation of the New Issue or any other circumstances requiring refunds of application monies as provided in the Prospectus, HKSCC will issue

FINI CHATS Payment Instruction to arrange for the payment of refunds to the relevant Participants' Designated Bank Account;

- (ix) Participants may refer to the FINI User Guide for details with respect to enquiry of any authorized and pending application instructions, application maintenance activities and allotment results; and
- (x) The amounts of fees for the handling of application instructions (see Section 21.5) will be collected from Participants through the generation of EPIs by HKSCC.

#### **8.18A.6 FINI money settlement**

The following is a brief description of the procedures relating to FINI CPIs issued by HKSCC for Electronic Application Instructions of New Issue Shares:

- (i) On the price determination day, upon completion of balloting and pricing, HKSCC will send FINI CHATS Payment Instructions to each Participant's Designated Bank through FINI to transfer such amount of the Participant's application monies as shall represent the value of the New Issue Shares allotted to the Participant through the ballot at the final offer price (and all other amounts due on the application, including brokerage, transaction levies and the Exchange trading fee) from its DB Nominee Account to the Issuer's account with its receiving bank(s) to settle such Participant's payment obligation for the allotted shares;
- (ii) Each Designated Bank to which FINI CHATS Payment Instructions have been issued in respect of any Participants may retrieve the relevant FINI Report on FINI CPIs via FINI during such period as may be specified in the FINI User Guide;
- (iii) Each Designated Bank shall, based on the FINI CHATS Payment Instructions generated by FINI, effect CHATS payments on behalf of the relevant Participants in respect of money settlement obligations of such Participants in accordance with the requirements as prescribed in the FINI User Guide;
- (iv) The status of FINI CHATS Payment Instructions can be enquired online via FINI (where applicable). Participants which are FINI CP Users and their Designated Banks can access, via FINI, the relevant FINI Report on FINI CPIs to obtain details of the FINI CHATS Payment Instructions;
- (v) After FINI money settlement, each Designated Bank of paying Participants may retrieve the relevant FINI Report from FINI; and
- (vi) Relevant control reports relating to the payments made, received or effected, or to be made, received or effected by Participants for whom a Designated Bank

acts can also be retrieved from FINI. For further details, please refer to the FINI User Guide.

HKSCC acts as facilitator in relation to payment and (where applicable) refund of application monies between Participants and Issuers in relation to Electronic Application Instructions for New Issue Shares. It is the responsibility of the Participants to ensure that their Designated Banks act according to the FINI CHATS Payment Instructions issued in relation to the New Issues and make payments by the deadlines determined by HKSCC from time to time.

In case of any default or delay in any payment in respect of a Participant's Electronic Application Instructions of New Issue Shares, HKSCC may take such disciplinary action against the concerned Participant as it thinks fit in accordance with the Rules.

#### **8.18A.7 Other Procedures**

HKSCC may agree with the relevant Issuer the relevant procedures to be followed or observed by Participants which may be different from and/or in addition to the procedures described in Sections 8.18A.5 and 8.18A.6 above. Participants will be advised of other relevant procedures to be followed or observed with respect to the Electronic Application Instructions for New Issue Shares on a case by case basis via FINI.

#### **8.18A.8 New Issue Brokerage**

Without prejudice to the money settlement service under the Rules, Clearing Participants may, subject to the Rules, receive into their General Purpose Designated Bank Accounts New Issue Brokerage passed on to them.

Upon receiving a written request from an Issuer informing HKSCC that the New Issue Brokerage is to be passed on to the Clearing Participants' General Purpose Designated Bank Accounts, HKSCC may disclose, in such manner as HKSCC may from time to time determine, information relating to the General Purpose Designated Bank Accounts of the Clearing Participants to the Issuer and/or its agent to facilitate the payment of New Issue Brokerage. Such written request shall be in such form and include such provisions as HKSCC may from time to time require, and be received by HKSCC in advance before the date of the Prospectus in respect of the relevant New Issue. Notwithstanding anything contained in the Rules, HKSCC is deemed to have been authorised by the Clearing Participants to disclose in such manner as HKSCC may from time to time determine their General Purpose Designated Bank Accounts' information to the Issuers and/or their agents.

The role of HKSCC in relation to the payment of New Issue Brokerage into the General Purpose Designated Bank Accounts of Clearing Participants is limited to the provision of information relating to the General Purpose Designated Bank Accounts to the Issuer and/or its agent subject to the Rules to facilitate the payment. HKSCC

will not be responsible for any discrepancy, error, delay, failure or default of the Issuer and/or its agent in the payment or credit or passing on of the New Issue Brokerage. In case of any such discrepancy, error, delay, failure or default, the Clearing Participant should contact the Issuer or its agent direct.

For the avoidance of doubt, all New Issue Brokerage paid into the General Purpose Designated Bank Accounts of the Clearing Participants shall be subject to the rights and authorities of HKSCC in relation to the General Purpose Designated Bank Accounts under the Rules, including but not limited to HKSCC's right of set-off under Rule 1207.

## **8.27 CA ISO MESSAGE SERVICE**

### **8.27.2 Subscription for and use of the CA ISO Message Service**

The following procedures will usually apply in relation to the CA ISO Message Service:

- (i) Participants who wish to subscribe for the CA ISO Message Service shall submit their instructions via the CA ISO Message Service maintenance functions of the CCASS Terminal.
- (ii) Upon setup and configuration, the effective date of the newly subscribed service will be reflected in the "CA ISO Message Service Subscription Audit Trail Report".
- (iii) Participants who wish to cancel their subscription of CA ISO Message Service shall submit a duly completed cancellation form as prescribed by HKSCC from time to time. Upon configuration, the last date of subscription will be reflected in the "CA ISO Message Service Subscription Audit Trail Report".
- (iv) Details of any updates in relation to the CA ISO Message Service made by Participants and HKSCC will be reflected in the daily "CA ISO Message Service Subscription Audit Trail Report".
- (v) The subscription fee for the CA ISO Message Service and the list of ISO Messages sent in a given month will be reflected in the monthly "CA ISO Message Service Monthly Billing Report".
- (vi) HKSCC reserves the right to reject any application for subscription of the CA ISO Message Service and may by prior notice to Participants, terminate their subscription in full or in part at any time.
- (vii) Participants shall not forward or distribute any ISO Messages generated by HKSCC in their original format to any third parties.
- (viii) ISO Messages are generated based on information received from Issuers of

Eligible Securities. Without prejudice to Rule 2104, HKSCC makes no representation as to the accuracy or completeness of the information made available under the CA ISO Message Service.

For further details, Participants should refer to the relevant sections of the CCASS Terminal User Guide.

## **Section 10**

### **Exchange Trades – CNS System**

#### **10.7 LATE DELIVERY: COMPULSORY STOCK BORROWING BY HKSCC**

##### **10.7.10 Reports available**

The reports available to a Participant via a CCASS Terminal or a Participant Gateway in relation to Compulsory Stock Borrowing Transactions are as follows:

- (i) Stock Borrowing/Lending Activity Report: this report lists notices of recall, elections to receive cash compensation and redeliveries by HKSCC each in relation to a Participant;
- (ii) Stock Borrowing/Lending Position Status Report: this report lists a Participant's Compulsory Stock Borrowing Transactions by 'Active' status, 'Recalled' status, 'Returned' status, 'Frozen' status (due to the Participant being declared a defaulter in accordance with the Rules), 'Cancelled' status (due to delisting, compulsory takeover or exchange of shares in relation to the Participant's borrowed securities, etc.), 'Compensated' status (due to cash compensation paid by HKSCC in relation to the Participant's borrowed securities) and 'Converted' status (due to consolidation, splitting etc. in relation to the Participant's borrowed securities).

## **Section 14**

### **CCASS Money Settlement**

#### **14.1 SCOPE OF MONEY SETTLEMENT SERVICES**

##### **14.1.2 HKSCC's role**

HKSCC plays two different roles in relation to CCASS money settlement:

- (i) as counterparty in relation to sums due or payable (a) between HKSCC and Participants (e.g. under the CNS System or in relation to nominee or tender

services) and (b) between HKSCC (in its capacity as TSF operator) and TSF CCASS Participants (e.g. in relation to the settlement of TSF FX Transactions and Stock Release FX Transactions);

- (ii) as facilitator in relation to sums due or payable by or to Participants themselves in relation to settlement of trade-for-trade transactions on a DVP or RDP basis;
- (iii) as facilitator in relation to payment and refund of application or tender monies between Participants and issuers in relation to Tender Instructions; and
- (iv) as facilitator in relation to payment of money by Clearing Participants or Custodian Participants to their SSA Statement Recipients pursuant to STI Transfers on a DVP basis.

## **14.2 DESIGNATED BANKS AND AUTHORISATION FORMS**

### **14.2.6 [Repealed]**

## **14.3 INSTRUCTIONS BY HKSCC TO DESIGNATED BANKS**

### **14.3.4 Amounts arising out of nominee services**

The amounts to be debited or credited to the Designated Bank Accounts of Participants in relation to nominee and similar transactions effected by HKSCC have been explained elsewhere (see Sections 8.7 to 8.21, 8.25 and 8.26). In brief, they arise from the following types of corporate actions:

- (i) for payments of dividends in an Eligible Currency, HKSCC will normally issue credit entries to the Participants' Money Ledgers to be settled against the Designated Bank Accounts of the Participants entitled to such dividends on the same day depending on the time of payment received by HKSCC;
- (ii) for subscription of rights shares and excess shares in relation to PALs where the subscription monies are payable in an Eligible Currency, HKSCC will issue debit entries to the Participants' Money Ledgers in respect of the appropriate subscription monies upon receipt of the rights subscription and/or excess shares application instructions via CCASS Terminals or via the CCASS Phone System or the CCASS Internet System for settlement via the relevant Participants' Designated Bank Accounts on the same day via DDIs or CPIs;
- (iii) for subscription of new shares and excess shares under open offers where the subscription monies are payable in an Eligible Currency, HKSCC will issue debit entries to the Participants' Money Ledgers concerned in respect of the appropriate subscription monies together with subscription charges such as brokerage, transaction levy and the Exchange's trading fee upon receipt of the

subscription of open offers and excess shares application instructions via CCASS Terminals or the CCASS Phone System or the CCASS Internet System as appropriate for settlement via the relevant Participants' Designated Bank Accounts on the same day via DDIs or CPIs;

- (iv) for subscription of shares on exercise of warrants where the subscription monies are payable in an Eligible Currency, HKSCC will issue debit entries to the Participants' Money Ledgers concerned in respect of the appropriate subscription monies and conversion charges upon receipt of the warrant conversion instructions via CCASS Terminals or the CCASS Phone System or the CCASS Internet System as appropriate for settlement via the relevant Participants' Designated Bank Accounts on the same day via DDIs or CPIs. HKSCC will issue debit entries regarding the ad valorem stamp duty payable on the conversion of the warrants upon notification from the Issuer or its agent or representative of the amount of ad valorem stamp duty levied;
- (v) for payments of cash consideration in an Eligible Currency to Participants that accept a take-over offer which is successful, HKSCC will issue credit entries to the Participants' Money Ledgers on the same day if payments are received by HKSCC at or before 3:45 p.m. on that day;
- (vi) for refund of surplus subscription monies in an Eligible Currency received by HKSCC from the issuers of the relevant Eligible Securities in respect of unsuccessful open offers, excess shares applications under rights issues and/or open offers, HKSCC will issue credit entries to the Participants' Money Ledgers on the same day or the next Business Day depending on the time of receipt of payment by HKSCC;
- (vii) for payments of principal or interest accruing to eligible Debt Securities in an Eligible Currency, HKSCC will normally issue credit entries to the Participants' Money Ledgers to be settled against the Designated Bank Accounts of the Participants entitled to such interests payments on the same day depending on the time of payment received by HKSCC;
- (viii) for subscription of shares in relation to eligible convertible Debt Securities where subscription monies are payable in an Eligible Currency, HKSCC will issue debit entries to the Participants' Money Ledgers concerned in respect of the appropriate subscription monies and conversion charges, if applicable, upon receipt of the Debt Securities conversion instructions via CCASS Terminals for settlement via the relevant Participants' Designated Bank Accounts on the same day via DDIs or CPIs;
- (ix) for disbursement charges in an Eligible Currency resulting from corporate activities in relation to eligible Debt Securities, HKSCC will issue debit entries

to the Participants' Money Ledgers upon distribution of the share/cash entitlements by HKSCC;

- (x) [Repealed]
  
- (xi) for payment of tender monies or application monies in an Eligible Currency in respect of Tender Instructions, HKSCC will effect debit payments from the Participants' Designated Bank Accounts on the day which is two Business Days before the tender day of the relevant Exchange Fund Notes or Specified Instruments or on the closing date of the subscription period of relevant Government Bonds or CMU Instruments. Where the bids for Exchange Fund Notes or Specified Instruments are non-competitive and the initial bid price is lower than the final accepted price, HKSCC will effect debit payments for any shortfall of tender moneys from the relevant Participants' Designated Bank Accounts on the tender day. Where the application price is lower than the subscription price, HKSCC will effect debit payments for any shortfall of application moneys from the relevant Participants' Designated Bank Accounts on the date upon receipt of the allotment results. For refund of tender monies in respect of Tender Instructions for Exchange Fund Notes or Specified Instruments, HKSCC will effect credit payments to the Participants' Designated Bank Accounts on the day which is either one Business Day before the tender day if the HKMA or the relevant Issuer withdraws the tender invitation or if excess monies are to be refunded in respect of cancelled Tender Instructions and, in other cases, on the tender day or as soon as practicable. For refund of application monies in respect of Tender Instructions for Government Bonds or CMU Instruments, HKSCC will effect credit payments to the Participants' Designated Bank Accounts on the day the allotment result is received from the Issuer or its agent or arranger or one Business Day before the closing date if the relevant Issuer withdraws the offer or as soon as practicable;
  
- (xii) for payments or refunds in an Eligible Currency in respect of the issue and redemption of Units, HKSCC will follow the procedures set out in the applicable sections of these Operational Procedures; and



- (xiii) for cash payments relating to Structured Products payable in an Eligible Currency, HKSCC will normally issue credit entries to the Participants' Money Ledgers to be settled against the Designated Bank Accounts of the Participants entitled to such cash payments on the same day depending on the time of receipt of payments by HKSCC. Where applicable, HKSCC will issue debit entries regarding the ad valorem stamp duty payable on the underlying securities of the Structured Products and any other expenses payable in connection with any scrip and/or cash payment distributed in respect of the Structured Products upon notification from the issuer or its agent of the amount of ad valorem stamp duty levied and/or any other relevant expenses charged.

The debit or credit entries, except payments in respect of Tender Instructions referred to in Section 14.3.4(xi) above, are posted to the Entitlements Accounts of the Participants' Money Ledgers.

For any accepted Intra-day Payment Standing Instruction covering intra-day payment to a Participant other than an Investor Participant of cash payments arising out of nominee services on a Business Day, HKSCC will issue an Intra-day Payment Instruction covering the amount (as stated in the "Enquire Intra-Day Payment Summary" in CCASS Terminal) of the cash payments included in the Intra-day Payment to the Designated Bank of the Participant to effect intra-day payment of the amount to the Designated Bank Account of the Participant on each Business Day (See Section 14.8).

Where HKSCC accepts a Nominee Payment (Evening) Standing Instruction requested by a Participant other than an Investor Participant, it will generate a DCI to effect the evening distribution of the relevant amount of cash payments arising from nominee services in the relevant Eligible Currency to the Designated Bank Account of the Participant not later than day end on each Business Day (see Section 8.26).

Subject as aforesaid, HKSCC will, at day end on each Business Day, on the basis of the account balance, generate DDIs/DCIs/EPs for settlement via Participants' Designated Bank Accounts (see Sections 14.4 and 14.5).

For subscription instructions which involve the collection of subscription monies via CPIs, HKSCC will, on the basis of such instructions, generate CPIs for settlement via Participants' Designated Bank Accounts during the day (see Section 14.7).

In relation to entitlement payments for which HKSCC has credited the relevant Participants' Money Ledgers before receipt of payment and if, for whatever reason, the relevant entitlement payments are not received by HKSCC, HKSCC shall have the right either to arrange for an amount equivalent to that credited by HKSCC to be debited from the relevant Participants' Money Ledgers or require the relevant

Participants to immediately refund the amount to HKSCC either by bank draft, cheque or telegraphic transfer or in such other manner as HKSCC deems appropriate. In relation to any entitlement payment which may have been conditionally received by HKSCC, HKSCC shall be entitled not to credit such payment to the relevant Participants' Money Ledgers until the entitlement payment to HKSCC has become unconditional.

## **14.5 ELECTRONIC PAYMENT INSTRUCTIONS**

### **14.5.1 Usage**

EPIs are used to effect (i) money settlement between Participants in relation to trade for trade transactions settled in CCASS on a DVP basis (i.e. Isolated Trades, ISI and SI Transactions settled on a DVP basis); (ii) payment of money by Clearing Participants or Custodian Participants to their SSA Statement Recipients in relation to STI Transfers on a DVP basis; (iii) payment of fees and expenses by Participants other than Investor Participants on a weekly basis to HKSCC for CCASS services; and (iv) redelivery to China Connect Clearing Participants of Collateral provided to HKSCC for the early release of China Connect Securities that are Securities-on-hold.

### **14.5.2 Procedures**

The following is a brief description of the procedures relating to EPIs issued by HKSCC:

- (i) on each Settlement Day, in relation to Isolated Trades (including Clearing Agency Transactions), ISI and SI Transactions settled on a DVP basis in CCASS, HKSCC will in respect of each such trade or transaction, cause, via the Clearing House of HKAB for the relevant Eligible Currency, a debit EPI to be issued to the Designated Bank of the Participant receiving Eligible Securities as a result of settlement of such a trade or transaction in CCASS and a corresponding credit EPI to be issued to the Designated Bank of the counterparty Participant delivering Eligible Securities;
- (ii) [Repealed]
- (iia) at the end of each Business Day, in relation to STI Transfer to be effected on a DVP basis in CCASS, HKSCC will in respect of each such transfer, cause, via the Clearing House of HKAB for the relevant Eligible Currency, a debit EPI to be issued to the Designated Bank of the Clearing Participant or Custodian Participant inputting the STI on a DVP basis and a corresponding credit EPI to be issued to the receiving bank account with the receiving banker of the relevant SSA Statement Recipient;
- (iib) at the end of each Business Day, in relation to fees and expenses payable by a Participant other than an Investor Participant for CCASS services, HKSCC

will compute the relevant tariff amounts and post entries to its Billing Account (a sub-account of the Money Ledger). On each Saturday, CCASS will generate a debit EPI for each Participant according to the balance of its Billing Account and a corresponding credit EPI to HKSCC's specified bank account. On each Monday, the processing of EPIs will be carried out by the Clearing House of HKAB and the Designated Banks concerned. If any Monday is a public holiday, the processing will be postponed to the following Business Day;

- (iic) on each Settlement Day, to effect the redelivery of Collateral provided to HKSCC for the early release of China Connect Securities that are Securities-on-hold, HKSCC will determine the relevant amount of Collateral to be redelivered and a corresponding credit EPI will be issued to the Designated Bank of the China Connect Clearing Participant upon HKSCC being fully satisfied that all payments by the China Connect Clearing Participant under the CNS System (as a result of CPI issued by HKSCC) are good and irrevocable;
- (iii) Repealed
- (iv) special arrangements have been made by HKSCC with the Clearing House of HKAB for each relevant Eligible Currency pursuant to which extra clearing runs will be conducted by that Clearing House of HKAB and files and/or reports will then be provided to Designated Banks of Participants by that Clearing House of HKAB on the same day;
- (iva) Designated Banks will be able to obtain via their CCASS Terminals and Participant Gateways details of EPIs affecting the Participants they act for, which will be contained in the "DDI/DCI/EPI Listing for Designated Bank", "DDI/DCI/EPI Exception Report" or "DDI/DCI/EPI Listing for IP Related Transactions", as the case may be (see Section 16.7). Designated Banks will reconcile the details with the information they received from the Clearing House of HKAB for the relevant Eligible Currency and will report any discrepancies to HKSCC for clarification;
- (v) Participants other than Investor Participants will be able to obtain via their CCASS Terminals or Participant Gateways their "Settlement Report", "DDI/DCI/EPI Summary for Participant" and "Settlement Related EPI Listing" (in respect of trade for trade transactions settled in CCASS on a DVP basis) and "Statements of Money Ledger" (in respect of fees and expenses for CCASS services) (see Section 16.6.1) which contain details of the EPIs for debits and credits to their Designated Bank Accounts. In the case of Investor Participants, activity statements will be posted on the CCASS Internet System and activity statements will also be mailed to Investor Participants who have elected to receive their activity statements by mail on the Business Day following the activities to which the activity statement relates (see Section

16.6.2). In the case of SSA Statement Recipients receiving EPI payment, activity statements including the payment details will be posted on the CCASS Internet System and activity statements will also be mailed to SSA Statement Recipients who have elected to receive their activity statements by mail on the Business Day following the payment to which the activity statement relates (see Section 16.6.8). Activity statements will not be mailed to Investor Participants who have not elected to receive their activity statements by mail and such Investor Participants should enquire the details of their activity statements through the CCASS Internet System; and

- (vi) Designated Banks of Participants are required to confirm to HKSCC via their CCASS Terminals (a) the payment status of EPIs affecting Participants other than Investor Participants; and (b) the payment status of debit EPIs affecting Investor Participants, by the times and in the manner as set out in Section 14.5.3.

In addition to the above procedures, Designated Banks must follow the prescribed procedures of the Clearing House of HKAB for each Eligible Currency in relation to EPIs.

#### **14.5.4 Default of payment**

As HKSCC's role in relation to money settlement for (i) trade for trade transactions in CCASS on a DVP basis; and (ii) STI Transfers on a DVP basis is merely that of a facilitator, it will not be responsible for any default in payment in relation to trade for trade transactions settled in CCASS or STI Transfers effected in CCASS by Participants. In case of any payment default in relation to trade for trade transactions, the non-defaulting Participant shall notify HKSCC immediately.

Accordingly, Participants themselves have to monitor good payment in relation to money settlement by EPIs.

### **14.7 CHATS PAYMENT INSTRUCTIONS**

#### **14.7.1 Usage**

CPIs are used to collect CCASS payments, to effect money settlement between Participants in relation to ISI or SI Transactions to be settled in CCASS on a RDP basis and to effect money settlement of CNS stock positions in relation to China Connect Securities Trades.

FINI CPIs are used to effect money settlement in respect of Electronic Application Instructions for New Issue Shares.

#### **14.7.2 Procedures**

The following is a brief description of the procedures relating to CPIs issued by

HKSCC:

- (i) generally, on each Business Day, in relation to CCASS transactions to be settled via CPIs, HKSCC will generate a CPI to be issued to the Designated Bank of the paying Participant upon creation with subsequent authorisation of an instruction by the Participant or as instructed by the paying Participant if it has authorised HKSCC to collect CCASS payments via CPIs. The CPI will include inter alia, the money value and the bank account information of the paying Participant and the receiving party;
- (ii) on the day imposed by HKSCC as the deadline for submitting subscription instructions, in relation to subscription instructions involving the collection of subscription monies via CPIs, upon acceptance and processing by HKSCC of the relevant instructions, HKSCC will generate a CPI to be issued to the Designated Bank of the paying Participant. The CPI will include inter alia, the money value and the bank account information of the paying Participant and HKSCC;
- (iii) on each Settlement Day, in relation to ISI and SI Transactions settled on a RDP basis in CCASS, upon its having successfully put on-hold sufficient available shares in the delivering Participant's Stock Account in respect of each such transaction, HKSCC will generate a CPI to be issued to the Designated Bank of the paying Participant. The CPI will include inter alia, the money value and the bank account information of the paying and receiving Participants;
- (iiia) on each Settlement Day, in relation to TSF FX Transactions and/or Stock Release FX Transactions in respect of each TSF CCASS Participant who has authorised HKSCC to collect payments via CPIs, HKSCC as TSF operator will generate CPI(s) to be issued to the Designated Bank of the TSF CCASS Participant. The CPI(s) will include, among others, the money value concerned and the bank account information of the TSF CCASS Participants;
- (iiib) on each Settlement Day, in relation to CNS money obligations of each China Connect Clearing Participant for China Connect Securities Trades and/or surplus cash arising from overpaid cash prepayment on the previous Settlement Day, HKSCC will generate CPI(s) to be issued to the Designated Bank of the China Connect Clearing Participant or a bank designated by HKSCC. The CPI(s) will include, among others, the money value concerned and the bank account information of the China Connect Clearing Participant;
- (iv) the CPIs so generated by HKSCC are transmitted via CCASS Terminals to the Designated Banks of the paying Participants. The Designated Banks of the paying Participants may retrieve the "Electronic CHATS Payment Instruction Report" via CCASS Terminals or Participant Gateways at nine designated

times on each Business Day and effect CHATS payments according to the deadline for each type of CCASS payment on the same day on a best effort basis, subject to the close of processing window of CCASS-related CHATS (normally at 7:45 p.m. for RMB and 6:00 p.m. for Eligible Currencies other than RMB);

- (v) the CCASS-related CHATS messages so constructed by Designated Banks will be transmitted online to the clearing house for the relevant Eligible Currency for processing. Special arrangements have been made by HKSCC with the Clearing House of HKAB for each relevant Eligible Currency pursuant to which each CCASS-related CHATS message will be transmitted by the Clearing House of HKAB for that Eligible Currency to HKSCC for validation before settlement in that Clearing House of HKAB for the relevant Eligible Currency;
- (vi) upon receipt of confirmation of payment in respect of the CPIs from the Clearing House of HKAB for the relevant Eligible Currency, HKSCC will i) update the Money Ledgers of the Participants concerned, if applicable, and the status of the respective CCASS transactions, including, in the case of Securities-on-hold China Connect Securities, the extent the Participants will be allowed to use such China Connect Securities; or ii) for SI / ISI Transactions, effect on-line delivery of the on-hold shares to the relevant receiving Participant's Stock Account. No DDI or EPI will be generated after such settlement;
- (vii) if the relevant payment is not confirmed settled by the Clearing House of HKAB for the relevant Eligible Currency before the specified CCASS cut-off time for real time money settlement (normally at 12:00 noon or 6:00 p.m. as the case may be in accordance with Section 10A.4.5 for payments of CNS money obligations of China Connect Clearing Participants for China Connect Securities Trades, 1:00 p.m. for payments for nominee-related services, 3:00 p.m. for payments relating to TSF FX Transactions and Stock Release FX Transactions, 3:30 p.m. for payments relating to SI / ISI Transactions and other CCASS payments for Eligible Securities other than China Connect Securities, 6:00 p.m. for payments in Eligible Currencies other than RMB relating to SI Transactions in China Connect Securities, 7:45 p.m. for payments in RMB relating to SI Transactions in China Connect Securities) on each Business Day, HKSCC will i) not give effect to or process or settle the relevant CCASS transaction, ia) not allow China Connect Clearing Participants to use the Securities-on-hold China Connect Securities, ii) for TSF FX Transactions or Stock Release FX Transactions, take such action as it considers necessary to adjust, amend or reverse the FX transactions pursuant to Sections 12A.6 and 12A.8 or, iii) for SI/ISI Transactions, release the on-hold shares to the delivering Participant for other settlement purposes, as appropriate;

- (viii) if the relevant payment is confirmed settled and paid to HKSCC's bank account (for CCASS transactions other than SI / ISI Transactions) at any time after the specified CCASS cut-off time for real time money settlement on each Business Day, HKSCC will arrange to refund the relevant payment to the relevant Participant on the same Business Day via DCIs; and
- (ix) the status of CPIs can be enquired online via CCASS Terminals. Designated Banks and Participants other than Investor Participants can access, via their CCASS Terminals or Participant Gateways, their CCASS Reports (e.g. their Settlement Reports) to obtain details of the CPIs.

The procedures relating to FINI CPIs issued by HKSCC are set out in the FINI User Guide.

Unsettled CPIs on a Business Day or Mainland Business Day will be purged at the end of such day by HKSCC.

In addition to the above procedures, Designated Banks must follow the prescribed procedures of the Clearing House of HKAB for each Eligible Currency in relation to money settlement of CPIs.

#### **14.7.4 Hours of CPI services**

The facility of CPI service is available for use on each Business Day starting from the hours of 9:30 a.m. until 6:00 p.m. for Eligible Currencies other than RMB and until 7:45 p.m. for RMB. HKSCC will periodically generate the "Electronic CHATS Payment Instruction Report" via the CCASS Terminals or Participant Gateways to Designated Banks of paying Participants at the following time schedule: 9:30 a.m. (after), 10:30 a.m. (after), 11:00 a.m. (after), 12:00 noon (after), 2:00 p.m. (after), 4:45 p.m. (after), 5:30 p.m. (after), 6:15 p.m. (after) and 7:00 p.m. (after).

The facility of FINI CPI service is available for use by the relevant FINI users in accordance with the FINI Terms and Conditions and the FINI User Guide.

## **Section 15**

### **Enquiry Services**

#### **15.1 ENQUIRY SERVICES**

Details of the enquiry services provided by CCASS, the operational steps for utilising these services and the descriptions of the enquiry screens, are set out in the CCASS Terminal User Guide.

Investor Participants may access the enquiry service of HKSCC via the CCASS Phone System or the CCASS Internet System or at the Customer Service Centre.

Upon authorization by a Clearing Participant or a Custodian Participant under Section 3.4A, HKSCC will allow the SSA Statement Recipient to access the enquiry functions in relation to the relevant SSA with Statement Service via the CCASS Phone System or the CCASS Internet System.

Details of the enquiry services provided by Synapse and the operational steps for utilising these services are set out in the Synapse User Guide.

Details of the enquiry services provided by FINI, the operational steps for utilising these services and the descriptions of the enquiry screens, are set out in the FINI User Guide.

## **15.2 USE OF VARIOUS ENQUIRY FUNCTIONS AVAILABLE**

The various enquiry functions provided by CCASS that are available for access and the purpose of accessing each such function are set out below:

### **(i) Available to Participants other than Investor Participants:**

- (a) “Enquire SI” function: to enquire about the details and status of SIs;
- (b) “Enquire Due/Overdue Positions” function: to enquire about the summary/details of an Eligible Security's due/overdue positions. This function helps prepare for settlement;
- (c) “Enquire Stock Account Balance” function: to enquire about the balances of all Eligible Securities in a Participants Stock Accounts. This function helps Participants check whether there is sufficient quantity of a particular Eligible Security in their Stock Accounts for settlement purposes;
- (d) “Enquire Stock Account Movement” function: to enquire about the movement activities for any Eligible Security occurring on the current Settlement Day and up to one calendar month ago;
- (e) “Enquire Settlement Activity” function: to enquire about the settlement activities for all stock positions which have been settled on the current Settlement Day;
- (f) “Enquire Money Position/Instruction” function: to enquire about the money positions due to or from HKSCC (in respect of CNS positions),



due to or from other Participants (in respect of SI Transactions) or money positions in Eligible Securities other than China Connect Securities due to or from other Participants (in respect of ISI Transactions and Isolated Trades); or to enquire about the money settlement instructions issued by HKSCC on the current Settlement Day or money settlement instructions due from SSA Statement Recipients to the Participants (in respect of STI Transfers) on the current Business Day. The money positions for China Connect Securities show the aggregate amounts of all the China Connect Markets. This function is designed to help Participants to plan their funding arrangements;

- (g) “Enquire Participant List” function: to enquire about a list of Participants IDs and short names (see the CCASS Terminal User Guide for details) and Participants’ Bank Identification Codes (BIC), if available. This function is of particular use when inputting data which requires another Participant's ID and name;
- (h) “Enquire Stock List” function: to enquire about a list of International Securities Identification Number (ISIN) Codes and stock codes for data entry and enquiry functions;
- (i) “Enquire Broadcast Message” function: to enquire about CCASS's broadcast messages which are released to all Participants and Designated Banks;
- (j) “Enquire Announcement Information” function: to enquire about the details of corporate actions for effecting nominee transactions in CCASS such as the subscription of rights shares, shares under open offers, warrant conversion, take-over offers;
- (k) “Enquire Election Instruction” function: to enquire about the details of instructions on election of option;
- (l) “Enquire Subscription Instruction” function: to enquire about the details of instructions on subscription of relevant Eligible Securities;
- (m) “Enquire Corporate Voting Instruction” function: to enquire about the details of voting instructions on relevant number of Eligible Securities to be voted at the relevant meetings;
- (n) “Enquire Login Withdrawal Order” function: to enquire about the details of withdrawal orders;
- (o) “Enquire Mass ATI/Mass STI” function: to enquire about the details of

mass account transfer instruction and mass Stock Segregated Account Transfer Instruction;

- (p) “Enquire Unmatched SI Reason” function: to enquire about the details and reasons of unmatched SIs. This function helps Participants follow up with their counterparties;
- (q) Repealed
- (r) “Enquire Collateral Effective Haircut and Valuation Price” function: to enquire about the haircut ratio and valuation price of each collateral instrument in effect from time to time;
- (ra) “Enquire Exchange Rate and Haircut” function: to enquire about the currency exchange rate and haircut ratio used in valuation of Collateral from time to time;
- (rb) “Enquire Collateral Account Balance” function: to enquire about the detailed information about each collateral instrument in selected CCMS Collateral Account;
- (rc) “Enquire Collateral Account Movement” function: to enquire about the movements of each collateral instrument in selected CCMS Collateral Account on the current day and the past 30 days;
- (rd) “Enquire Collateral Inventory” function: to enquire about the total quantity or value of each collateral instrument in CCMS;
- (re) “Enquire Interest Calculation Result/Accommodation Fee” function: to enquire about daily accrued interest amount posted to each CCMS Collateral Account on the current day and the past 30 days;
- (rf) “Enquire Preferred Single Settlement Currency” function: to enquire about the Eligible Currency selected by a Participant for the settlement of Marks, Margin and Collateral;
- (rg) “Enquire Specific Cash Collateral” function: to enquire about the details of the Specific Cash Collateral instruction input by a Participant;
- (rh) “Enquire Specific Cash Collateral Movement” function: to enquire about the movement of the Specific Cash Collateral;
- (s) “Enquire Corporate Communications Event” function: to enquire about the details of corporate communications events;

- (t) “Enquire Recipient Master” function: to enquire about the details of Recipients maintained by a Participant in CCASS;
- (u) “Enquire Event Recipient List” function: to enquire about the list of Recipients designated by a Participant for a corporate communications event;
- (v) “Enquire ISI” function: to enquire about the details and status of ISIs;
- (w) “Enquire Payment Instruction” function: to enquire about the details of CPIs generated in CCASS for money obligations to be settled via CPIs, e.g. CNS money obligations for China Connect Securities, SI / ISI Transactions to be settled on a RDP basis. This function allows the paying Participant to obtain the bank account details of the beneficiary, e.g. the delivering Participant for SI / ISI Transactions, in the event that the paying Participant wishes to instruct a bank other than its Designated Bank to effect payment of a CPI;
- (x) “Enquire Reported Lost Certificate” function: to enquire about the details of the share certificates which were reported to have been lost since CCASS commenced operations. The information is for reference only. HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC do not warrant the accuracy or completeness of the information made available and accepts no liabilities (whether in tort or contract or otherwise) for any loss, direct or indirect, arising to any person relying upon the information;
- (y) “Enquire Lending Position” function: to enquire about the details of outstanding Compulsory Stock Borrowing Transactions;
- (z) “Enquire Stock Borrowing Information” function: to enquire about the summary of new and outstanding stock loans made in CCASS and total holdings Eligible Securities available for borrowing in CCASS;
- (aa) [Repealed]
- (ab) [Repealed]
- (ac) [Repealed]
- (ad) “Enquire Authorised Tender Announcement” function: to enquire about the details of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments in respect of which Tender Instructions

may be given;

- (ae) “Enquire Tender Instruction” function: to enquire about the details of Tender Instructions input by a Participant;
- (af) “Enquire Tender Result” function: to enquire about the results of tenders for Exchange Fund Notes or Specified Instruments or the results of applications for Government Bonds or CMU Instruments and about refunds;
- (ag) “Enquire Corporate Representative/Proxy” function: to enquire about the details and status of corporate representative/proxy instructions input by a Participant;
- (ah) “Enquire Cash Prepayment / TSF Payment Standing Instruction” function: to enquire about the status and details of any Cash Prepayment Standing Instruction and/or TSF Payment Standing Instruction input by a Participant;
- (ai) “Enquire Cash Prepayment Instruction” function: to enquire about the details of any Cash Prepayment Instruction input by a Clearing Participant or a Clearing Agency Participant or generated by HKSCC on behalf of a Clearing Participant or a Clearing Agency Participant;
- (aj) “Enquire Buy-in Confirmation” function: to enquire about the details of Buy-in executed by HKSCC;
- (ak) “Enquire User Profile” function: to enquire about the access rights to CCASS of each Authorised User and the Administration Rights of each Delegated Administrator of a Participant;
- (al) “Get Authorisation Code” function: for Delegated Administrator of a Participant who is acting as a checker to enquire about the Authorisation Code assigned to him;
- (am) “Enquire ISI (with affirmation) Counterparty List” function: which allows the Participant to enquire counterparty records in the ISI (with affirmation) Counterparty List;
- (an) “Enquire ISI (without affirmation) Counterparty List” function: which allows the Participant to enquire counterparty records in the ISI (without affirmation) Counterparty List;
- (ao) “Enquire Hide Unmatched SI Content Counterparty List” function: to

enquire about the status and details of the SI counterparties maintained through the "Hide Unmatched SI Content Counterparty List" function;

- (ap) [Repealed]
- (aq) "Enquire Stock Segregated Account" function: to enquire about the account information of an SSA with Statement Service or a Special Segregated Account;
- (ar) "Enquire Intra-day Payment Standing Instruction" function: to enquire about the status and details of any Intra-day Payment Standing Instruction of a Participant;
- (as) "Enquire Intra-Day Payment Summary" function: to enquire about the details of Intra-day Payment Instruction issued by HKSCC on the current day;
- (at) "Enquire STI" function: to enquire about the details and status of STIs;
- (au) "Enquire Issuer Announcement" function: to enquire the information about announcements of listed issuers published on HKEX website;
- (av) "Enquire GCP/NCP Mapping" function: to enquire about the details of the GCP designated by any NCCCP in accordance with the relevant Rules and the Clearing Agreement entered into between the GCP and an NCCCP;
- (aw) "Enquire Deleted SI" function: to enquire about the details of current day deleted SIs;
- (ax) "Enquire Nominee Payment (Evening) Standing Instruction" function: to enquire about the status and details of any Nominee Payment (Evening) Standing Instruction of a Participant;
- (ay) "Enquire Inter-counter Transfer/Conversion Instruction" function: to enquire about the status and details of any Multi-counter Transfer / Parallel Trading Conversion Instruction maintained on current day;
- (az) [Repealed]
- (ba) "Enquire Sellable Balance Adjustment Request" function: to enquire about the details of any sellable balance adjustment request due to SPSA Delivery Failure input by a China Connect Clearing Participant on current day; and

- (bb) “Enquire Shareholding Category Disclosure” function: to enquire about the details of any Shareholding Category Disclosure made in respect of China Connect Securities.

**(ii) Available to Investor Participants via the CCASS Phone System:**

- (a) "Stock Balance Enquiry": to enquire about the current ledger and available stock balance;
- (b) "ISI Activities Done on Current Day Enquiry": to enquire about the details of ISIs and settlement activities done on current day;
- (c) "Nominees Instruction Done on Current Day Enquiry": to enquire about the details of subscription, dividend election and voting instructions done on current day;
- (d) "Corporate Action Deadline Enquiry": to enquire about the details of subscription, dividend election and voting deadlines in effect;
- (e) "ISI Money Obligation Enquiry": to enquire about the settled and unsettled ISI money obligations to be settled in CCASS on a DVP basis;
- (f) [Repealed]
- (g) [Repealed]
- (h) [Repealed]
- (i) “Tender Announcement Enquiry”: to enquire about the details of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments in respect of which Tender Instructions may be given;
- (j) "Tender Instruction Done Enquiry": to enquire about the details of Tender Instructions input by an Investor Participant; and
- (k) “Tender Result Enquiry”: to enquire about the details of results of tenders for Exchange Fund Notes, Specified Instruments or results of applications for Government Bonds or CMU Instruments and about refunds.
- (l) [Repealed]

**(iii) Available to Investor Participants via the CCASS Internet System:**

- (a) "Enquire Stock Balance": to enquire about the current ledger and available stock balance;
- (b) "Enquire ISI Done": to enquire about the details of ISIs and settlement activities done on current day and the past 10 settlement days;
- (c) "Enquire Subscription Instruction": to enquire about the details of subscription instructions done on current day and the past 31 calendar days;
- (d) "Enquire Dividend Election Instruction": to enquire about the details of dividend election instructions done on current day and the past 31 calendar days;
- (e) "Enquire Voting Instruction": to enquire about the details of voting instructions done on current day and the past 31 calendar days;
- (f) "Enquire Corporate Activities": to enquire about the details of various corporate activities such as subscription, dividend election, voting, etc.;
- (g) "Enquire ISI Money Obligation": to enquire about the settled and unsettled ISI money obligations to be settled in CCASS on a DVP or RDP basis;
- (h) [Repealed]
- (i) [Repealed]
- (j) "Enquire Tender Announcement": to enquire about the details of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments in respect of which Tender Instructions may be given;
- (k) "Enquire Tender Instruction" function: to enquire about the details of Tender Instructions input by an Investor Participant on current day and the past 31 calendar days. When information is received from the issuer, the results of tenders for Exchange Fund Notes or Specified Instruments, the results of applications for Government Bonds or CMU Instruments and any refund information will also be provided via this function;
- (l) "Enquire IP Statement" function: to enquire about the details of the activity statements generated in the past 31 calendar days and the monthly statements generated in the past two months;
- (m) "Enquire ISI Counterparty List" function: to enquire the details of the ISI

(without affirmation) Counterparty List and the ISI (with affirmation) Counterparty List, if applicable, maintained with CCASS by the Investor Participants;

- (n) “Enquire Issuer Announcement” function: to enquire the information about announcements of listed issuers published on HKEX website; and
- (o) “Enquire Internet Account Profile” function: to enquire the internet account details of the Investor Participants.
- (p) [Repealed]

## **Section 16**

### **Statements and Reports**

#### **16.1 STATEMENTS AND REPORTS AVAILABLE**

CCASS and RMS will generate statements and reports for Participants other than Investor Participants and Designated Banks throughout the day after completion of different processes as set out in Section 16.6.1, Section 16.6.1A and Section 16.7. Where a report is stated in Section 16.6.1, Section 16.6.1A or Section 16.7 to be available “daily”, the report will be available on each Business Day or Mainland Business Day only and will not be available on a Saturday unless expressly stated otherwise. Further, full descriptions of the information contained in the reports for Participants other than Investor Participants and Designated Banks are set out in the CCASS Terminal User Guide for Participants, the RMS Guide and the CCASS Terminal User Guide for Designated Banks.

Participants other than Investor Participants and Designated Banks may retrieve such reports through their CCASS Terminals or Participant Gateways or RMS (see Section 16.3).

In the event that a Clearing Participant or a Custodian Participant authorises HKSCC to furnish statements and reports relating to SSA with Statement Service to SSA Statement Recipients, such statements and reports are to be made available by HKSCC as set out in Section 16.8.

Investor Participants will receive statements from HKSCC relating to activities and balances of their Stock Accounts as described in Section 16.6.2.

In relation to Synapse, the details regarding various statements and reports that are to be made available by HKSCC to Synapse Users are set out in the Synapse User Guide.

In relation to FINI, the details regarding various statements and reports that are to be



made available by HKSCC to FINI CP Users and other FINI users are set out in the FINI User Guide.

## **16.6 REPORTS AND STATEMENTS FOR PARTICIPANTS**

### **16.6.1 Reports and Statements for Participants other than Investor Participants to be retrieved from CCASS Terminals or Participant Gateways**

<b>Report ID</b>	<b>Report name</b>	<b>Frequency</b>	<b>Time available</b>
CEPAA01	New Issues Application Input Activity Report	Daily (including Saturday)	from the time when the report retrieval function is available (for previous day's Tender Instruction maintenance activities)
CEPAB01	New Issues Application Input Activity Report	Daily (including Saturday)	shortly after 11:30 a.m. (for current day's Tender Instruction maintenance activities as of the report generation time)
CEPBE01	New Issues Entitlement Report	Daily (including Saturday)	from the time when the report retrieval function is available (for previous day's entitlement updates of Tender Instructions)

### **16.6.2 Statements for Investor Participants**

An activity statement will be posted on and available to Investor Participants via the CCASS Internet System. The activity statement will also be sent to an Investor Participant who has elected to receive the activity statement by mail on the Business Day after (a) input of any instructions by the Investor Participant relating to nominees and settlement activities, or (b) receipt of benefit distribution, or (c) there is any movement in the Eligible Securities under the Stock Account of the Investor Participant. The following sections are included in the activity statement :

- (i) Stock Movement Section : Stock movements on the Stock Account are listed.
- (ii) Payment Summary Section: DDIs, DCIs, CPIs and EPIs effected are listed with the details of the payment.
- (iii) Activity Section : Settlement, entitlement distribution, subscription, entitlement election, corporate voting and ISI counterparty list activities are listed.

- (iv) [Repealed]
- (v) Tendering Section : Tender Application details and allotment results are shown.
- (vi) Reminder Section : Reminders on corporate actions are shown.

In addition, a monthly statement will be posted on and available to Investor Participant via the CCASS Internet System. The monthly statement will also be sent to an Investor Participant who has elected to receive the monthly statement by mail. The monthly statement will contain details of the money ledger and stock account movements of the Investor Participant for the past month, the billing details and balances of all the stocks in the Stock Accounts of the Investor Participant, and include the following sections:

- (i) Fee Summary Section : The total fees to be debited from the Investor Participant's designated bank account and the calculation of minimum usage fee shortfall are shown.
- (ii) Stock Balance Section : The stock balances, reference value of the stocks and calculation of custody fee are shown.
- (iii) Stock Movement Section : The movement of stock during the past month are listed.
- (iv) Money Ledger Section : The money ledger movements on settlement account, entitlement account, billing account and miscellaneous account are listed.
- (v) Scrip Fee Calculation Section : Detail calculation of scrip fee is shown.
- (vi) SMS Message Summary Section : List the number of messages sent by message type.
- (vii) Reminder Section : Reminders on corporate actions are shown.

Investor Participants may apply to the Customer Service Centre for re-prints of previous activity statements and monthly statements at a fee specified by HKSCC from time to time.

The hardcopies of the activity and monthly statements will not be sent to an Investor Participant who has not elected to receive the statements by mail. However, Investor Participants should enquire the details of such statements through the CCASS Internet System.

**16.9 ERRORS**

Participants other than Investor Participants and Designated Banks should report immediately to HKSCC in respect of any errors found in CCASS reports and statements specified in this section. Investor Participants should report immediately to HKSCC in respect of any errors found in any CCASS statements.

Participants which are Synapse Users should report immediately to HKSCC in respect of any errors found in Synapse Reports and statements.

Participants which are FINI CP Users should report immediately to HKSCC in respect of any errors found in FINI Reports and statements in accordance with the procedures set out in the FINI User Guide.

For the avoidance of doubt, HKSCC will not entertain any notification of error or omission in any advice, statement or report or any request to rectify any error or omission in any advice, statement or report from any person other than a Participant or a Designated Bank.

## **Section 17**

### **Suspension of Services**

**17.1 GENERAL**

Under the Rules, if in the opinion of HKSCC the functioning of a System or the services and facilities that it provides in relation to Eligible Securities and China Connect Securities or the settlement and/or clearance of Foreign Securities held by an Appointed Depository is or is likely to be impaired by any event or circumstances, HKSCC may suspend the whole or any part of the operations of the System or the CCASS Depository or the relevant services and facilities to Participants, for such duration as it sees fit.

In the event of any situation arising which warrants action, HKSCC may suspend its operation and may also change the operational and service schedule as described in Section 6.

This Section explains in some detail the procedures which HKSCC will adopt in relation to CCASS when a Typhoon Signal No. 8 or above is hoisted or lowered, when Extreme Conditions are announced or cancelled or when a Black Rainstorm Warning is issued or cancelled. In other similar cases, HKSCC will notify Participants, Designated Banks, the China Connect Clearing Houses, the Exchange and the Commission in relation to any action or procedures to be adopted, in the event HKSCC decides to suspend any other System or any other services or facilities

relating to Eligible Securities and China Connect Securities or the settlement and/or clearance of Foreign Securities held by an Appointed Depository.

The procedures in relation to suspension of FINI services are set out in the FINI Terms and Conditions and the FINI User Guide.

## **17.2 TYPHOONS AND EXTREME CONDITIONS**

### **17.2.5 Nominee services**

Nominee and similar services available to Participants other than Investor Participants will normally cease fifteen minutes after a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced and will normally resume two hours after the Typhoon Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 12:00 noon on a Business Day. If the Typhoon Signal is still hoisted or Extreme Conditions are still in force at 12:00 noon on a Business Day, no such nominee or similar services will be provided by HKSCC for that day.

Nominees and similar services available to Investor Participants via the CCASS Phone System and the CCASS Internet System will continue to be available for use by Investor Participants in accordance with their normal service hours after a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced. However, the subscription instructions input during the period when the Typhoon Signal is hoisted or Extreme Conditions are announced will only be processed by CCASS after the Typhoon Signal is lowered and Extreme Conditions are cancelled (where applicable) and when normal CCASS and CCASS Depository services and facilities resume.

Voting services available to SSA Statement Recipients for the account of Clearing Participants or Custodian Participants via the CCASS Phone System and the CCASS Internet System will continue to be available for use by SSA Statement Recipients for the account of Participants in accordance with their normal service hours after a Typhoon Signal No.8 or above is hoisted or Extreme Conditions are announced.

If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced at any time between 8:00 a.m. and 9:00 a.m. on a Business Day, any nominee-related instructions other than Electronic Application Instructions for New Issue Shares and Tender Instructions already inputted by Participants and SSA Statement Recipients for the account of Clearing Participants or Custodian Participants at any time before 9:00 a.m. on the day will not be recognized or accepted by HKSCC and Participants and SSA Statement Recipients will have to re-input such instructions upon resumption of the nominee services.

In relation to China Connect Securities, if a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced before 9:00 a.m. and the Typhoon Signal remains hoisted or Extreme Conditions are still in force at 12:00 noon on a Business

Day, and if such day falls on the deadline stipulated by HKSCC to collect any nominee-related instructions from Participants, Participants are required to submit manual instructions to HKSCC in order to participate in the relevant corporate actions. Such manual instructions have to be given in the manner as determined by HKSCC announced through Broadcast Messages.

In relation to China Connect Securities, if a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced on any Business Day such that no clearing services of the Clearing House of HKAB for any Eligible Currency will be available with respect to CCASS money settlement instructions, and if such day falls on the deadline stipulated by HKSCC to collect any subscription instructions in respect of a rights issue, Participants which have submitted their subscription instructions should place HKSCC in funds by 10:30 a.m. on the next Business Day together with proof of payment (such as the bank pay-in slip with details of the relevant Participant, including its Participant ID, the relevant stock code and the subscription money paid). Failure to place HKSCC in funds by 10:30 a.m. on the next Business Day may result in HKSCC not giving effect to such subscription instructions.

In relation to Eligible Securities listed on the Exchange which are subject to book-close dates or record date without book closure, the last registration day (and the latest time) before book-close or record date to submit Eligible Securities for registration to qualify for corporate entitlements may be extended in certain circumstances and accordingly, the latest time by which Participants may deposit Eligible Securities into CCASS to qualify for the relevant corporate entitlements through CCASS may also be extended (as well as the period during which no further deposits or withdrawals of relevant Eligible Securities will be allowed). The position in general is explained further below :

- (i) if a Typhoon Signal No. 8 or above is lowered and Extreme Conditions are cancelled (where applicable) between 9:00 a.m. and 12:00 noon on the last registration day before book-close or record date (or in the case of Debt Securities in bearer form, on the CCASS Record Date imposed by HKSCC), the latest time for submission of relevant Eligible Securities for registration will, under the Exchange's Listing Rules, be extended from 4:00 p.m. to 5:00 p.m. In such a case, the time limit for deposits and withdrawals of relevant Eligible Securities by Participants will also be extended from the normal 12:00 noon to 2:30 p.m. on that day (i.e. the last registration day before book-close or record date, or the CCASS Record Date imposed by HKSCC, as the case may be);
- (ii) if a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced between 3:00 p.m. and 4:00 p.m. on the last registration day before book-close or record date (or in the case of Debt Securities in bearer form, on the CCASS Record Date imposed by HKSCC) but the Typhoon Signal is

lowered and Extreme Conditions are cancelled (where applicable) at or before 9:00 a.m. on the next Business Day, then under the Exchange's Listing Rules, the latest time for submission of relevant Eligible Securities for registration will be extended to 12:00 noon on the following Business Day (or 5:00 p.m., if the Typhoon Signal is only lowered and Extreme Conditions are only cancelled (where applicable) between 9:00 a.m. and 12:00 noon on that following Business Day). In such a case, the normal CCASS deadline of 12:00 noon for deposit and 2:00 p.m. for withdrawal on the original last registration day before book-close or record date (or on the CCASS Record Date imposed by HKSCC, as the case may be) for the purpose of participating in relevant corporate entitlements through CCASS will remain but no deposits or withdrawals of relevant Eligible Securities into or out of CCASS will be allowed until 12:00 noon on the following Business Day (or for the rest of the following Business Day, if the Typhoon Signal is lowered and Extreme Conditions are cancelled (where applicable) between 9:00 a.m. and 12:00 noon on that day); and

- (iii) in other cases where under the Exchange's Listing Rules the last registration day before book-close or record date (or in the case of Debt Securities in bearer form, the CCASS Record Date imposed by HKSCC) is extended to 4:00 p.m. on the following Business Day, the normal CCASS deadline of 12:00 noon for deposit and 2:00 p.m. for withdrawal on the original last registration day before book-close or record date (or on the CCASS Record Date imposed by HKSCC, as the case may be) for the purpose of participating in relevant benefits entitlements through CCASS will also be extended to 12:00 noon on that following Business Day and, thereafter for the rest of that day, no further deposits and withdrawals of Eligible Securities into or out of CCASS will be allowed.

In relation to the giving of instructions by Investor Participants and electronic instruction inputs by Participants other than Investor Participants which are subject to stipulated deadlines, if at any time before the deadline on the last day for giving or inputting instructions by Participants, a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced, the original deadline for giving or inputting such instructions may, at the sole discretion of HKSCC be extended. In such case, HKSCC shall notify Participants as to such extension through the Broadcast Message function via CCASS Terminals and Participant Gateways and through the CCASS Phone System and the CCASS Internet System.

In relation to Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, if at any time before the deadline on the last day for inputting Tender Instructions by Participants, a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced, the deadline for inputting such Tender Instructions may, at the sole discretion of HKSCC, be extended beyond the original deadline on that day. In such case, HKSCC shall notify Participants as to such

extension through the Broadcast Message function via CCASS Terminals and Participant Gateways and through the CCASS Phone System and the CCASS Internet System.

Late instructions given or inputted by a Participant will result in such Participant not receiving nominee services provided by HKSCC in relation to the corporate actions or activities concerned.

In relation to corporate activities from which receivable items regarding interest accruing to Eligible Debt Securities (except Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments) will be generated, the following procedures will usually apply:

- (i) if a Typhoon Signal No. 8 or above remains hoisted or Extreme Conditions remain in force at any time between 9:00 a.m. and 12:00 noon on any Business Day which is between the last registration day before book-close or record date and the interest payment day (or at a date which is between the CCASS Record Date imposed by HKSCC for the determination of interest entitlement and the interest payment day), the related interest receivables may be adjusted with reference to the announcements made by the Debt Securities issuers; and
- (ii) if a Typhoon Signal No. 8 or above remains hoisted or Extreme Conditions remain in force at any time between 9:00 a.m. and 12:00 noon on a Business Day, the interest receivables in relation to Debt Securities conversion/redemption instructions input on the Business Day next preceding the typhoon or Extreme Conditions day may be adjusted according to the interest amount to be distributed by the Debt Securities issuers.

In relation to Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, if a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced at any time on the interest payment date or redemption date as specified by HKMA or the issuer of the Specified Instruments or the issuer of the CMU Instruments or the arranger of their issue (as the case may be), the payment of interest or, as the case may be, redemption monies plus interest will be made on the Business Day immediately succeeding the interest payment date or, as the case may be, redemption date which will then be deemed to be the interest payment date or redemption date, as the case may be. All subsequent interest payment and redemption dates for the issue will remain unchanged. Interest payable will, subject to its being so adjusted by the HKMA or the relevant issuer of the Specified Instruments or the relevant issuer of the CMU Instruments or the arranger of their issue (as the case may be), be adjusted to include interest accrued during the period from the originally expected date of payment to the actual date of payment.

In relation to subscription instructions and Tender Instructions of Investor

Participants which are pending Designated Banks' confirmation that any DDIs relating thereto cannot be effected and such confirmation is delayed or affected as a result of a Typhoon Signal No. 8 or above being hoisted or Extreme Conditions being announced, the following procedures will usually apply:

- (i) if the tender day or expiry day or the last registration day before book-close or record date falls on the Business Day of resumption of CCASS services, HKSCC reserves the right not to give effect to the relevant instructions. However, if HKSCC effects the instructions on the same day, HKSCC shall be entitled to withhold the distribution of the entitlements until it has received sufficient monies for such purposes. Without prejudice to any rights it may have at law, HKSCC shall be entitled to sell or apply the securities or cash subscribed for by HKSCC to cover any shortfall and any administrative costs of HKSCC; and
- (ii) if the expiry day or the last registration day before book-close or record date falls on a day after the Business Day of resumption of CCASS services, HKSCC will cause subscription to be made on the Business Day following the day of receipt of Designated Bank confirmation that the DDIs concerned are not rejected.

In relation to Electronic Application Instructions for New Issue Shares affected as a result of a Typhoon Signal No. 8 or above being hoisted or Extreme Conditions being announced, the following procedures will usually apply:

- (i) [Repealed]
- (ii) if a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are in force at any time between 9:00 a.m. and 12:00 noon on a Business Day which is a last application day, the last application day will be postponed (unless otherwise decided by the relevant Issuer) to the next Business Day which does not have such Typhoon Signal and Extreme Conditions in force at any time between 9:00 a.m. and 12:00 noon or such other day as specified by the relevant Issuer. If the last application day is postponed, the deadline for application on the last application day will remain at 12:00 noon unless otherwise specified by the relevant Issuer.

## **17.3 RAINSTORMS**

### **17.3.5 Nominee services**

Nominee and similar services for Participants other than Investor Participants will remain available if a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day. If a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, such nominee and similar services will normally resume two hours thereafter. When a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any



Business Day, no such nominee or similar services will be provided by HKSCC for that day.

Nominees and similar services for Investor Participants provided by the CCASS Phone System and the CCASS Internet System will continue to be available for use by Investor Participants in accordance with their normal service hours even if a Black Rainstorm Warning is issued. However, if a Black Rainstorm Warning is issued before 9:00 a.m., the subscription instructions inputted during the period when a Black Rainstorm Warning is issued will only be processed by CCASS after the Warning is cancelled and when normal CCASS and CCASS Depository services and facilities resume.

Voting services for SSA Statement Recipients for the account of Clearing Participants or Custodian Participants provided by the CCASS Phone System and the CCASS Internet System will continue to be available for use by SSA Statement Recipients for the account of Participants in accordance with their normal service hours even if a Black Rainstorm Warning is issued.

If Black Rainstorm Warning is issued at any time between 8:00 a.m. and 9:00 a.m. on a Business Day, any nominee-related instructions other than Electronic Application Instructions for New Issue Shares and Tender Instructions already input by Participants and SSA Statement Recipients for the account of Clearing Participants or Custodian Participants at any time at or before 9:00 a.m. on the day will not be recognized or accepted by HKSCC and Participants and SSA Statement Recipients will have to re-input such instructions upon resumption of the nominee services.

In relation to China Connect Securities, if a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on a Business Day, and if such day falls on a deadline stipulated by HKSCC to collect any nominee-related instructions from Participants, Participants are required to submit manual instructions to HKSCC in order to participate in the relevant corporate actions. Such manual instructions have to be given in the manner as determined by HKSCC announced through Broadcast Messages.

In relation to China Connect Securities, if a Black Rainstorm Warning is issued on any Business Day such that no clearing services of the Clearing House of HKAB for any Eligible Currency will be available with respect to CCASS money settlement instructions, and if such day falls on the deadline stipulated by HKSCC to collect any subscription instructions in respect of a rights issue, Participants which have submitted their subscription instructions should place HKSCC in funds by 10:30 a.m. on the next Business Day together with proof of payment (such as the bank pay-in slip with details of the relevant Participant, including its Participant ID, the relevant stock code and the subscription money paid). Failure to place HKSCC in funds by

10:30 a.m. on the next Business Day may result in HKSCC not giving effect to such subscription instructions.

In relation to Eligible Securities listed on the Exchange which are subject to book-close dates or record date without book-closure, the last registration day (and the latest time) before book-close or record date to submit Eligible Securities for registration to qualify for corporate entitlements may be extended in certain circumstances and accordingly, the latest time by which CCASS Participants may deposit Eligible Securities into CCASS to qualify for the relevant corporate entitlements through CCASS may also be extended (as well as the period during which no further deposits or withdrawals of relevant Eligible Securities will be allowed). The position in general is explained further below:

- (i) if a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on the last registration day before book-close or record date, the latest time for submission of relevant Eligible Securities for registration will, as stipulated under the Exchange's Listing Rules, be extended from 4:00 p.m. to 5:00 p.m.. In such case, the time limit for deposits and withdrawals of relevant Eligible Securities by CCASS Participants will also be extended from the normal 12:00 noon to 2:30 p.m. on that day (i.e. the last registration day before book-close or record date);
- (ii) if a Black Rainstorm Warning is issued at or after 9:00 a.m. on the last registration day before book-close or record date, then as stipulated under the Exchange's Listing Rules, the latest time for submission of relevant Eligible Securities for registration will remain at 4:00 p.m. on that day. In such case, the normal CCASS deadline of 12:00 noon on the last registration day before book-close or record date (for the purpose of participating in relevant corporate entitlements through CCASS) will remain; and
- (iii) in other cases where as stipulated under the Exchange's Listing Rules the latest time for submission of the relevant Eligible Securities for registration on the last registration day before book-close or record date is extended to 4:00 p.m. on the following Business Day (where a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on the last registration day), the normal CCASS deadline of 12:00 noon on the original last registration day before book-close or record date (for the purpose of participating in relevant benefits entitlements through CCASS) will also be extended to 12:00 noon on the following Business Day and, thereafter for the rest of that day, no further deposits and withdrawals of relevant Eligible Securities into or out of CCASS will be allowed.

The stipulated deadline for the giving of instructions by Investor Participants and electronic instructions inputted by other Participants shall not normally be affected

by the event of a Black Rainstorm Warning except where it will not be possible to implement such deadline. In such case, HKSCC shall notify Participants as to the arrangement through Broadcast Message and through the CCASS Phone System and the CCASS Internet System as soon as practicable.

Late instructions given or inputted by a Participant will result in such Participant not receiving nominee services provided by HKSCC in relation to the corporate actions or activities concerned.

In relation to corporate activities from which receivable items regarding interest accruing to eligible Debt Securities will be generated, the following procedures will usually apply:

- (i) if a Black Rainstorm Warning remains in effect between 9:00 a.m. and 12:00 noon at a date which is between the last registration day before book-close or record date and the interest payment date (or between the CCASS Record Date imposed by HKSCC for the determination of interest entitlement and the interest payment day), the related interest receivables may be adjusted with reference to the announcements made by the Debt Securities issuers; and
- (ii) if a Black Rainstorm Warning remains in effect between 9:00 a.m. and 12:00 noon on a Business Day, the interest receivables in relation to Debt Securities conversion/redemption instructions input on the Business Day next preceding the rainstorm day may be adjusted according to the interest amount to be distributed by the Debt Securities issuers.

In relation to subscription instructions of Investor Participants which are pending Designated Banks' confirmation that any DDIs relating thereto cannot be effected and such confirmation is delayed or affected by the event of a Black Rainstorm Warning, the following procedures will usually apply:

- (i) if the expiry day or the last registration day before book-close or record date falls on the Business Day of resumption of CCASS services, HKSCC will usually cause subscription to be made on the same day. HKSCC shall be entitled to withhold the distribution of the entitlements until it has received sufficient monies for subscription purposes. Without prejudice to any rights it may have at law, HKSCC shall be entitled to sell or apply the securities or cash subscribed for by HKSCC to cover any shortfall and any administrative costs of HKSCC; and
- (ii) if the expiry day or the last registration day before book-close or record date falls on a day which happens after the Business Day of resumption of CCASS services, HKSCC will cause subscription to be made on the Business Day following the day of receipt of Designated Bank confirmation that the DDIs

concerned are not rejected.

In relation to Electronic Application Instructions for New Issue Shares, if a Black Rainstorm Warning is in force at any time between 9:00 a.m. and 12:00 noon on a Business Day which is a last application day, the last application day will be postponed (unless otherwise decided by the relevant Issuer) to the next Business Day which does not have such Warning in force at any time between 9:00 a.m. and 12:00 noon or such other day as specified by the relevant Issuer. If the last application day is postponed, the deadline for application on the last application day will remain at 12:00 noon unless otherwise specified by the relevant Issuer.

If a Black Rainstorm Warning is issued after 9:00 a.m., arrangements for tendering or application for, payment of interest on and redemption of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments will proceed as usual. In the event of a Black Rainstorm Warning being issued before 9:00 a.m., the procedures will follow those for typhoons and Extreme Conditions as described above.

## **Section 19**

### **Financial and Accounting Requirements**

#### **19.1 FINANCIAL REQUIREMENTS**

##### **19.1.2 Financial commitments of Participants**

In summary, the main financial commitments of a Participant as a result of its participants in HKSCC will include :

- (i) payment of admission fee to HKSCC at the time of admission;
- (ii) the provision of assurances (e.g. insurance) in respect of its obligations to HKSCC, which may be required by HKSCC at the time of admission or thereafter from time to time;
- (iii) responsibility for defective Eligible Securities deposited into CCASS;
- (iv) payment in respect of money obligations arising out of the settlement of transactions in CCASS on a DVP basis and money obligations in respect of nominee transactions effected in CCASS; and
- (v) payment to HKSCC in respect of costs and expenses of HKSCC's services and facilities and, in the case of services relating to China Connect Securities, fees,

expenses, levies and taxes collected by HKSCC for the relevant China Connect Clearing House or other regulatory or tax authority.

## **19.2 ACCOUNTING REQUIREMENTS**

### **19.2.1 Duty to check accuracy of statements and reports**

It is the responsibility of each Participant to check and reconcile with its own records the advices, statements and reports from time to time issued by HKSCC in relation to a System. A Participant shall immediately notify HKSCC in writing of any error or omission contained in such advices, statements and reports.

### **19.2.2 Duty to keep records**

It is the responsibility of each Participant to keep proper records in relation to its use of the services and facilities of a System, including but not limited to transactions settled in CCASS, the deposits and withdrawals of Eligible Securities into or out of CCASS, and matters relating to nominee transactions effected in CCASS or FINI. Such records shall be kept in sufficient detail to show the dates of the transactions, the parties involved, the quantity of securities involved, the amounts involved etc.

Such records shall be maintained by Participants for a period of at least twenty years where such records relate to China Connect Securities and at least seven years (or such longer period as HKSCC may prescribe) for all other records and shall be made available for inspection by HKSCC upon its request.

### **19.2.3 Information and returns**

All GCPs which are not Exchange Participants, Clearing Agency Participants, Custodian Participants, Stock Lender Participants and Stock Pledgee Participants are required to submit to HKSCC their audited accounts as soon as they are available.

Further, HKSCC may by notice in writing from time to time require a Participant to supply to HKSCC information and to file returns in respect of matters relating to its use of HKSCC's services and facilities or for risk management purposes. Participants shall supply to HKSCC the required information or file the required returns in such manner and within such time period as may be specified by HKSCC.

In addition, all GCPs which are registered institutions under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) are required to submit the following to HKSCC:

- (i) audited financial statements and audited consolidated financial statements, including balance sheet and profit and loss accounts, with the auditor's report drawn up in accordance with applicable law and accounting standards within 120 days of the end of the GCP's fiscal year;

- (ii) quarterly balance sheet and profit and loss statements that are signed by authorized signatory or signatories of such GCP, drawn up in accordance with applicable law and accounting standards, within 30 days of its quarter-end date, together with evidence of signing authority and specimen signatures. Save and except for any changes made to a GCP's list of authorized signatory(ies), a GCP is only required to provide evidence of signing authority and specimen signatures for the first time its quarterly balance sheet and profit and loss statements are delivered to HKSCC;
- (iii) copies of all financial returns made by a GCP to its regulator as soon as reasonably practicable following such returns having been submitted to the relevant regulator; and
- (iv) such financial or other relevant information which relates to the GCP's clearing activities or its exposure to general and financial risks, in addition to what is required by this Section 19.2.3, as may be requested by HKSCC at its reasonable discretion from time to time.

#### **19.2.4 Audits**

HKSCC may by notice in writing from time to time demand that a Participant furnish to it a certificate of its auditors (in a form acceptable to HKSCC) certifying and reporting on matters specified in HKSCC's notice, including, inter alia :

- (i) that the Participant has complied at all times with the conditions or requirements of its admission or of its continuing participation in HKSCC; and
- (ii) that the Participant has complied at all times with the provisions of the Rules applicable to it.

The costs and expenses of such audit certificates will be borne by Participants.

## **Section 20**

### **Disciplinary Action**

#### **20.1 INFORMATION**

##### **20.1.1 Information**

A Participant shall, as and when required, provide HKSCC in writing with information about its business and transactions in CCASS Eligible Securities for the purposes of:

- (a) satisfying HKSCC that the Rules are being complied with; and
- (b) protecting the integrity of the Systems and the operations of HKSCC.

## **20.4 ACTS OF MISCONDUCT**

### **20.4.1 Grounds for disciplinary action**

HKSCC may institute disciplinary proceedings against a Participant in respect of an act of misconduct committed or reasonably believed to have been committed by it. An act of misconduct includes:

- (a) a breach of the Rules or the Participant Agreement;
- (b) a failure to comply with any conditions or requirements for its continued participation in HKSCC as are from time to time imposed by HKSCC;
- (c) a failure to comply with any decision, requirement, condition or direction of HKSCC having binding effect;
- (d) a failure to co-operate with HKSCC in matters relating to any System or an Appointed Depository, whether or not relating to the Participant, which materially affects the interests of HKSCC or other Participants;
- (e) being subject to an adverse finding by any competent authority wherever situated, including without limitation, any court of competent jurisdiction, the Commission or any committee or tribunal of the Commission, and/or the Exchange, any self-regulatory organization, recognized professional body, overseas regulatory body or other body exercising regulatory or disciplinary functions;
- (f) errors, delays or other conduct detrimental to the operations of any System or an Appointed Depository or conduct which in HKSCC's opinion is detrimental to the interest or reputation of HKSCC or other Participant;
- (g) provision to HKSCC of information (including information for the purpose of becoming a Participant) which is false, misleading or inaccurate in a material particular;
- (h) being knowingly concerned in, or improper conduct which causes or contributes to an act of misconduct falling within sub-paragraphs (a) to (g) of this Section by another person;
- (i) failure to pay a fine or comply with any other disciplinary action or penalty imposed by HKSCC within the specified time;

- (j) conduct which leads to any disciplinary action being taken against HKSCC or which leads to HKSCC being in breach of the rules of an Appointed Depository;
- (k) failure to provide information requested by an exchange, clearing house, regulatory authority or an organization with which HKEX, HKSCC or the Exchange has entered into an information sharing arrangement or agreement (this act of misconduct does not apply to an Investor Participant);
- (l) if the Participant is a Common Participant, a default in payment of any sum payable to any other Recognized Clearing House or an event of default committed by the Participant under the rules of such Recognized Clearing House;
- (m) if the Participant is a TSF CCASS Participant, a failure to comply with any TSF Participant Registration Criteria or any other conditions or requirements for its continued registration as a TSF CCASS Participant, or a failure to comply with any provisions of, or any of its obligations under, Chapter 12A of the Rules, Section 12 of the Operational Procedures and other related provisions in the Operational Procedures;
- (n) if the Participant is a China Connect Clearing Participant, a failure to comply with any China Connect Clearing Participant Registration Criteria or any other conditions or requirements for its continued registration as a China Connect Clearing Participant, or a failure to comply with any provisions of, or any of its obligations under, Chapter 41 of the Rules, Section 10A of the Operational Procedures and other related provisions in the Rules and Operational Procedures;
- (o) if the Participant is a China Connect Clearing House, a failure to comply with any China Connect Clearing House qualification requirements or any other conditions or requirements for its continued registration as a China Connect Clearing House, or a failure to comply with any provisions of, or any of its obligations under Chapter 42 of the Rules and other related provisions in the Rules and Operational Procedures, including those applicable to a Clearing Agency Participant which is a China Connect Clearing House; and
- (p) if the Participant is a FINI CP User, a failure to comply with any FINI PFR or any money settlement or other obligations with respect to its Electronic Application Instructions for New Issue Shares.

## **20.5 THE DISCIPLINARY FUNCTION OF HKSCC**

### **20.5.1 Summary suspension**

If in its opinion it would be in the interests of HKSCC or Participants to do so, HKSCC may summarily suspend a Participant from its participation in HKSCC or



suspend or limit its activities in relation to or its access to any System or any other services and facilities of HKSCC without notifying such Participant beforehand.

In such a case, HKSCC will immediately notify a Participant in writing of the summary suspension of its participants in HKSCC or of the suspension or limitation to any System or any other HKSCC services or facilities (as the case may be) that has been imposed on it by HKSCC. In appropriate cases (e.g. where a DCP or a GCP is summarily suspended from its participants in HKSCC or participation in CCASS or any other System), HKSCC may also notify other Participants. Where a DCP or a GCP is summarily suspended by HKSCC, HKSCC may also request the Exchange to suspend (i) the DCP or the GCP if it is an Exchange Participant and (ii) each NCP of that GCP which does not have in place immediately upon suspension of the GCP a binding, valid and effective Clearing Agreement with another GCP for the clearing of the NCP's Exchange Trades or Clearing Agency Transactions from further trading on the Exchange, regardless of whether the DCP, GCP or NCP has in place a binding, valid and effective Clearing Agreement with another GCP for the clearing and settlement of its China Connect Securities Trades. Further, where a GCP is summarily suspended by HKSCC, HKSCC may also request the Exchange to suspend each NCCCP of that GCP from the trading of China Connect Securities.

Within 5 Business Days of the summary suspension or limitation imposed on a Participant by HKSCC, unless such summary suspension or limitation shall have been lifted, HKSCC shall inform such Participant in writing, stating the situation referred to in Rule 2001 alleged to give rise to HKSCC taking the disciplinary action against the Participant together with a concise statement of the facts alleged to give rise to that situation.

A Participant subject to summary suspension or limitation by HKSCC may within 10 Business Days thereof appeal to the Disciplinary Appeals Committee.

A Participant summarily suspended from its participants in HKSCC shall, notwithstanding the suspension, remain a Participant but shall not be permitted access to any System or any of HKSCC's services or facilities normally permitted by HKSCC to the Participant. Notwithstanding the foregoing, HKSCC may, at its absolute discretion, permit the suspended Participant access to such of its services or facilities as may be determined by HKSCC.

#### **20.9.12 Disciplinary Actions and Penalties**

Without prejudice to any other right HKSCC may have, on each charge admitted by or proved against a Participant, the Disciplinary Committee may take no action or impose any one or more of the penalties set out below:

- (a) expel the Participant from its participants in HKSCC;

- (b) suspend the Participant from its participantship in HKSCC;
- (c) limit the Participant's activities in relation to or its access to any System or services and facilities provided by HKSCC (whether in respect of Eligible Securities in CCASS or otherwise) on such terms and for such period as shall be considered appropriate;
- (d) impose a fine on the Participant;
- (e) publicly censure the Participant (including its directors, partners, principals, officers, employees, trainees, agents and/or representatives);
- (f) prohibit or otherwise limit the activities of the directors, partners, principals, officers, employees, trainees, agents and/or representatives of the Participant in relation to the operations of any System and/or services or facilities provided by HKSCC, if the Disciplinary Committee determines that such directors, partners, principals, officers, employees, trainees, agents and/or representatives have engaged in conduct detrimental to the operations of such System, services or facilities provided by HKSCC or to the reputation of HKSCC or other Participants;
- (g) notify the matter to any competent authority to which a Participant is subject;
- (h) privately censure the Participant including any of its directors, partners, principals, officers, employees, trainees, agents and/or representatives;
- (i) suspend the Participant's right to use any or all of the Systems, services and/or facilities provided by HKSCC (whether in respect of Eligible Securities in CCASS or otherwise) and/or any or all of the ancillary services to which the Participant has access on such terms and for such period as shall be considered appropriate; and/or
- (j) take such other disciplinary action as the Disciplinary Committee shall consider appropriate in the circumstances.

Where the Disciplinary Committee imposes a penalty of expulsion from participantship in HKSCC against a Participant following any disciplinary hearing, and if an appeal is made such penalty is upheld on appeal by the Disciplinary Appeals Committee, such penalty shall not take effect until the penalty of expulsion against the Participant is approved by the Board.

**20.10 APPEAL TO THE DISCIPLINARY APPEALS COMMITTEE**

**20.10.6 Powers of the Disciplinary Appeals Committee**

The Disciplinary Appeals Committee may allow an appeal against a finding that a charge is proved only on one or more of the grounds set out in Section 20.10.4. On dismissing an appeal against the finding that a charge is proved (whether or not there is an appeal against penalty), and on an appeal against penalty on a charge, the Disciplinary Appeals Committee may approve, increase or decrease the penalty imposed by the Disciplinary Committee and/or may make any other order which the Disciplinary Committee could have made.

Where the Disciplinary Appeals Committee imposes the penalty, or affirms the penalty imposed by the Disciplinary Committee, of expulsion of the Participant from participantship in HKSCC, such penalty imposed or affirmed, as the case may be, shall not come into effect until approved by the Board.

## **Section 21**

### **Costs and Expenses**

**21.5 DEPOSITORY AND NOMINEE SERVICES**

- Handling fee for Electronic Application Instructions for New Issue Shares. HK\$5 per instruction.

*Note:*

Fee is debited on application end date.

**21.7 OTHER MONEY SETTLEMENT FEES**

- Money settlement fees for other miscellaneous amounts to be paid to or collected from Participants (eg. Marks, Margin, Basic Contributions, Dynamic Contributions, application and refund monies under Tender Instructions, and any redelivery of Collateral in relation to the early HK\$0.50 for HKD items, CNY items and USD items for each DDI/DCI/EPI issued or each CPI settled by HKSCC.

release of China Connect Securities that are Securities-on-hold).

*Notes:*

Fee debited on the day of money settlement.

Fee not applicable to EPIs issued by HKSCC on a weekly basis for effecting fee payment as referred to in Section 21.14.

## **Section 22**

### **Tariff for Investor Participants**

#### **22.2 DEPOSITORY AND NOMINEE SERVICES**

#### **22.4 OTHER MONEY SETTLEMENT FEES**

- |   |   |   |
|---|---|---|
| — | Money settlement fees for other amounts to be paid to or collected from Investor Participants (e.g. warrants conversion, rights subscriptions, fees and application and refund monies under Tender Instructions) payable by Investor Participant. | HK\$0.50 for HKD items, CNY items and USD items for each DDI/DCI/EPI issued or each CPI settled by HKSCC. |
|---|---|---|

*Notes:*

Fee debited on the day of money settlement.

If the day end balance due for money settlement with HKSCC is less than HK\$10, the balance will be rolled over to the next day and no DDI/DCI will be issued on due date.

## Section 23

### Tariff for Issuers

#### 23.2 ADMISSION OF SECURITIES

- Stock admission fee for admission of securities in CCASS as Eligible Securities for New Issue processed through FINI.

*Note:*

Fee is payable by Issuers on successful admission.

For New Issue with fund raising:

- HK\$50,000 per New Issue for fund raising size below or equal to HK\$200 million;
- HK\$150,000 per New Issue for fund raising size exceeding HK\$200 million and below or equal to HK\$500 million;
- HK\$300,000 per New Issue for fund raising size exceeding HK\$500 million and below or equal to HK\$2,000 million; and
- HK\$600,000 per New Issue for fund raising size exceeding HK\$2,000 million.

For New Issue by introduction:

- HK\$100,000 per New Issue.

- EIPO processing fee for Electronic Application Instructions for New Issue Shares as input by a Participant via FINI.

*Note:*

Fee is payable by Issuers or share registrars on behalf of Issuers.

HK\$10 per instruction, subject to a minimum of HK\$5,000 per New Issue and a maximum of 0.3% of (i) fund raising size in the case of a successful New Issue or (ii) intended fund raising size in the case of an unsuccessful New Issue.

*Note:*

Fund raising size referred to above shall be the gross proceeds of the New Issue based on the final offer price before exercise of over-allotment option, as the case maybe, on the listing date of the Issuer's securities on the Exchange.

Intended fund raising size referred to above shall be the intended gross proceeds of the New Issue as described in the Prospectus, which shall be (i) the mid-point of an offer price range, or (ii) the maximum offer price or the fixed offer price if there is no price range in the Prospectus.