

Options Clearing Rules

CHAPTER 1

DEFINITIONS AND INTERPRETATION

Definitions

101. In these Clearing Rules, unless the context otherwise requires:-

"HKSCC Rules"	has the same meaning as in the Exchange Rules;
"CNS System"	has the same meaning as in the HKSCC Rules;
"Isolated Trades System"	has the same meaning as in the HKSCC Rules;
"Marks, Margin and Concentration Collateral"	has the same meaning as "Mark", "Margin" and "Concentration Collateral" in the HKSCC Rules collectively;
"Settlement Day"	has the same meaning as in the HKSCC Rules;
"Stock Collateral Control Account"	bears the same meaning as in the HKSCC Rules;

Interpretation

103. Subject to Clearing Rule 101, any definitions of words defined in the Exchange Rules, the Options Trading Rules, the HKSCC Rules, the Securities and Futures Ordinance, the Companies Ordinance or the Articles shall, if not inconsistent with the subject or context, apply to these Clearing Rules.

CHAPTER 4

SEOCH PARTICIPANTS' OBLIGATIONS

Compliance with the Clearing Rules

401. Each SEOCH Participant shall at all times:-

- (2) comply with the decisions, directions, directives, determinations, findings of fact and/or interpretation of the Board, the SEOCH Board and/or any other person or body of persons in the exercise or performance of any right, power, privilege, discretion, function, duty or obligation conferred on them by or pursuant to these Clearing Rules, the Operational Clearing Procedures and, to the extent applicable, the Exchange Rules and the HKSCC Rules.

Continuing Obligations

403. Each SEOCH Participant shall at all times:-

- (3) (a) be in good standing as a CCASS Clearing Participant and be in compliance with the HKSCC Rules; or

CHAPTER 5

EXERCISE, DELIVERY AND SETTLEMENT

Delivery and Settlement Under OCH Contracts

508. Delivery obligations shall arise under an OCH Contract which has been validly exercised. Unless the SEOCH Board determines that delivery obligations under such OCH Contracts are to be performed in some other way (including determining that obligations be settled in cash in lieu of delivery) or at some other time and notifies SEOCH Participants of such determination, under normal circumstances, delivery obligation shall be settled in the manner described under paragraph (1) and (2) below:-

- (1) through CCASS under the CNS System pursuant to the HKSCC Rules on the second Settlement Day immediately following the day on which the OCH Contract is exercised; or