

香港中央結算有限公司

(香港交易及結算所有限公司全資附屬公司)

Hong Kong Securities Clearing Company Limited

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

## 通告 CIRCULAR

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Subject: **Guidance on Clearing Rules Obligations<sup>1</sup>**

Enquiry: [surveillance@hkex.com.hk](mailto:surveillance@hkex.com.hk)

As part of the continuing efforts to enhance awareness of our rules and regulations, Hong Kong Securities Clearing Company Limited (“**HKSCC**”) is issuing this guidance note on the following rule requirements:

- (1) The continuing obligations applicable to Central Clearing and Settlement System (“**CCASS**”) participants (“**CCASS Participants**”) to notify HKSCC of any change of their details under the General Rules of CCASS (“**CCASS Rules**”) and the CCASS Operational Procedures; and
- (2) The obtaining of HKSCC’s prior written approval for the access to CCASS via CCASS Terminals and Participant Gateways installed outside office premises or in a foreign jurisdiction under CCASS Rules.

From our recent review on participants’ compliance with relevant clearing house rules and requirements, it was observed that a number of CCASS Participants have:

- (1) Failed to notify HKSCC of any change in the details supplied at the time of admission and thereafter, including but not limited to changes in respect of:
  - their Designated Officer and/or Alternate Designated Officer within the specified timeframe; and
  - risk and control documents when engaging in new business activities such as proprietary trading, stock lending, China Connect market and margin financing;
- (2) Failed to obtain prior written approval from HKSCC before accessing to or conducting activities in CCASS from a foreign jurisdiction.

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<sup>1</sup> Unless otherwise defined, capitalized terms and abbreviations used in this circular shall have the same meanings as defined in the CCASS Rules or the CCASS Operational Procedures.

In this regard, HKSCC would like to draw CCASS Participants' attention to the followings:

- (a) Under CCASS Rules 1703(iii), each CCASS Participant undertakes that it will notify HKSCC of any change in the details supplied to HKSCC at the time of admission and thereafter, including but not limited to anything relating to such CCASS Participant, its directors or employees which would render inaccurate, incomplete or superseded a statement or information previously furnished by such CCASS Participant to HKSCC;
- (b) CCASS Operational Procedures 2.6 provides that CCASS Participants (other than Corporate Investor Participants) must inform HKSCC in writing of any change of their Designated Officer and/or Alternate Designated Officer and Corporate Investor Participants must inform HKSCC in writing of any change of their Designated Officer by completing and submitting the prescribed form at least three Business Days before the change takes effect; and
- (c) CCASS Rules 704 and 3901 to 3904 respectively specify that unless the prior written approval of HKSCC is obtained, CCASS Terminals and Participant Gateways can only be installed at the office premises of a CCASS Participant or its Settlement Agent. Where a CCASS Terminal is approved to be installed in a foreign jurisdiction or where CCASS is approved to be accessed and operated from a foreign jurisdiction pursuant to Rule 3901, such installation shall be subject to the conditions as stipulated in Rules 3902 to 3904.

HKSCC would like to remind CCASS Participants that they should:

- Put in place appropriate controls (including adequate policies and procedures and workflow) to ensure that notification of any change of their details (including updated risk and control documents when engaging in new business activities) is given to HKSCC on a timely basis or within the specified timeframe in the event that such change involves details of their Designated Officer and/or Alternate Designated Officer;
- Confirm prior written approval from HKSCC is obtained before arranging for access to or conducting activities in CCASS from a foreign jurisdiction; and
- Notify HKSCC in case of any violations of the CCASS Rules or the CCASS Operational Procedures, or any of the conditions in any approval given by HKSCC.

CCASS Participants are strongly advised to review their current set up, adopt appropriate measures to strengthen their controls, and where necessary, take appropriate actions to address any potential rule breaches or deficiencies. Any failure to comply with the relevant clearing rules obligations may be liable to potential action by HKSCC, including fines or disciplinary proceedings.

Should there be any question on the above, please contact the Market Surveillance and Monitoring Department (email: [surveillance@hkex.com.hk](mailto:surveillance@hkex.com.hk)).

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*This circular has been issued in English together with Chinese translation of the same. If there is any discrepancy between the Chinese translation and the English version, the English version shall prevail.*