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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

Subject: Amendments to the General Rules of CCASS (the “Rules”) and the CCASS Operational Procedures (the “Procedures”) and introduction of the Synapse Terms and Conditions (including the Synapse Fees Schedule) (the “T&Cs”) of Hong Kong Securities Clearing Company Limited (“HKSCC”)

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CCASS Participants are requested to note that the Securities and Futures Commission has approved amendments to the Rules and Procedures and the introduction of the T&Cs relating to the offering by HKSCC of Synapse, an optional centralised platform and workflow tool which facilitates the simultaneous generation of settlement instructions and the provision of instantaneous updates of the processing status to Northbound Stock Connect market participants along the post-trade processing chain.

The amendments to the Rules and Procedures and the T&Cs, as set out in Appendices 1, 2 and 3 respectively, will come into effect on Monday, 9 October 2023.

The marked-up version of the amendments to the Rules and Procedures can be downloaded from the following sections of the HKEX website:

- ["Rule Update - General Rules of CCASS"](#)
- ["Rule Update - CCASS Operational Procedures"](#)

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Head of Legal

¹ Calls to and from the Synapse Operations Team may be recorded. HKEX Privacy Notice is available [here](#).

GENERAL RULES OF CCASS

CHAPTER 1

INTERPRETATION

101. Definitions

When used herein, the following expressions shall, unless the context otherwise requires, bear the following meanings:

“Settlement Instruction” or “SI”	means an instruction of a Participant, in such form or manner as HKSCC may from time to time prescribe as being valid (including through a CCASS Terminal or Synapse), relating to transactions in Eligible Securities (other than Exchange Trades, China Connect Securities Trades, Clearing Agency Transactions, Electronic Application Instructions for New Issue Shares, Investor Settlement Instructions, Transfer Instructions and Cross-border Transfer Instructions) to be settled in CCASS, as referred to in Rule 904;
“Stock Segregated Account Transfer Instruction” or “STI”	means an instruction of a Clearing Participant or Custodian Participant, in such form or manner as HKSCC may from time to time prescribe as being valid (including through a CCASS Terminal or Synapse), to effect book-entry movements of Eligible Securities between an SSA with Statement Service or a Special Segregated Account and any other Stock Account of the Participant in CCASS (including any other SSA with Statement Service or Special Segregated Account but excluding the Stock Collateral Control Account and where a Clearing Participant or a Custodian Participant is a TSF CCASS Participant, excluding also the TSF Accounts), as referred to in Rule 601;
“Synapse”	means the communications platform operated by HKSCC which provides a channel for the transmission of

information and instructions among Synapse Users, CCASS and any other system that interfaces with Synapse for the facilitation of post-trade processes and workflows pertaining to China Connect Securities Trades or for such other purposes as may be prescribed or permitted by HKSCC from time to time;

- “Synapse Terms and Conditions” means the terms and conditions governing the use of Synapse, as from time to time prescribed by HKSCC;
- “Synapse User” means, for the purposes of these Rules, a Participant which is accepted by HKSCC to use Synapse as a “Clearing Participant” or “Local Custodian” under the Synapse Terms and Conditions;
- “Synapse User Guide” means the “Synapse User Guide” of HKSCC in relation to Synapse, containing information on the use of Synapse by Synapse users, as from time to time in force;

CHAPTER 6

STOCK ACCOUNTS AND CCMS COLLATERAL ACCOUNTS

601. Stock Clearing Account / Stock Segregated Accounts / Stock Lending Account / Stock Collateral Control Account / TSF Accounts / Stock Account of an Investor Participant

Subject to the Rules, HKSCC shall allocate to each Participant other than an Investor Participant (i) one Stock Clearing Account; (ii) subject to its approval, such number of Stock Segregated Accounts as HKSCC may in its absolute discretion determine from time to time; and (iii) subject to HKSCC’s approval, one Stock Lending Account.

In the case of a Clearing Participant, HKSCC shall allocate to such Participant in addition to the abovementioned accounts one Stock Collateral Control Account. In the case of a TSF CCASS Participant, HKSCC shall allocate to such Participant in addition to the abovementioned accounts one TSF Principal Account and one TSF Segregated Account. In the case of a Clearing Agency Participant, HKSCC may also allocate to such Participant for participating in CCASS as a China Connect Clearing House one set of the abovementioned accounts and one Stock Collateral Account in respect of each Special Participant for administrative and operational convenience only in connection with the establishment and operation of one or more Clearing Links, and references in the Rules to the Stock Clearing Account, Stock

Segregated Accounts, Stock Collateral Control Account or any other Stock Account of, established for, or allocated to a Participant shall, in the case of a Clearing Agency Participant participating in CCASS in its capacity as a China Connect Clearing House, be construed to mean the Stock Clearing Account, Stock Segregated Accounts, Stock Collateral Control Account or any other Stock Account allocated to it in respect of each Special Participant or the relevant Special Participant, unless the context requires otherwise. An Investor Participant shall be allocated one Stock Clearing Account only.

The operation of any Stock Account of a Participant, including but not limited to the credit or debit entries made thereto, shall be in accordance with the Rules.

A Participant other than an Investor Participant may move Eligible Securities between its Stock Accounts, other than its Stock Collateral Control Account and, in the case of a Clearing Participant or a Custodian Participant, its SSA with Statement Service and Special Segregated Accounts, by the input of an Account Transfer Instruction in accordance with the Operational Procedures and the “CCASS Terminal User Guide for Participants” of HKSCC, as from time to time in force. A Clearing Participant or Custodian Participant may also move Eligible Securities between any of its SSA with Statement Service or Special Segregated Accounts and any other Stock Accounts (including other SSA with Statement Service and Special Segregated Accounts but excluding its Stock Collateral Control Account and TSF Accounts) by the input of a Stock Segregated Account Transfer Instruction in accordance with the Operational Procedures and the “CCASS Terminal User Guide for Participants” or the “Synapse User Guide” of HKSCC, as from time to time in force.

CHAPTER 7

SERVICES - GENERAL

701. Services

Subject to the Rules, HKSCC may supply to Participants the services referred to in the Rules and such other services as may from time to time be deemed appropriate by HKSCC.

In relation to those types of services supplied by HKSCC to a Clearing Participant or Custodian Participant in respect of the Participant’s holdings in the SSA with Statement Service which HKSCC finds it appropriate to make available for use by SSA Statement Recipients for the account of the Participant as provided in the Rules, the Participant may, in such manner as HKSCC may from time to time prescribe, authorize any its SSA Statement Recipients to use any such services (including the giving of instructions in relation thereto) for the account of the Participant subject to the Rules. For the avoidance of doubt, the use of such services by SSA Statement Recipients for the account of the Participant as aforesaid shall, for the purposes of the Rules, be considered use of the services by the Participant which shall be liable therefor.

Unless otherwise stated in the Rules, such authorization to SSA Statement Recipient is personal to that SSA Statement Recipient.

HKSCC may from time to time prescribe new or additional rules and procedures in relation to the provision of the services contemplated in the Rules.

Notwithstanding anything to the contrary in the Rules, HKSCC may decline in its discretion to provide one or more services or facilities or suspend or cease to provide any services or facilities with respect to any transaction or class of transactions, any Participant or category of Participants or SSA Statement Recipients, or any Eligible Security or class of Eligible Securities. In deciding whether to exercise such discretion, HKSCC may take into account any factors which it considers reasonable or relevant including, without limitation, any terms and conditions upon which an Eligible Security is issued or any restrictions, limitations, conditions or requirements under or imposed by any applicable law, rule or regulation of any relevant jurisdiction.

Participants other than Investor Participants or its Settlement Agent shall gain access to services of CCASS in accordance with these Rules and such conditions as prescribed by HKSCC from time to time.

Participants which are accepted by HKSCC as Synapse Users shall gain access to Synapse services in accordance with these Rules, the Synapse Terms and Conditions and such conditions as prescribed by HKSCC from time to time.

Investor Participants shall gain access to services of CCASS via the CCASS Phone System or the CCASS Internet System in accordance with these Rules and such conditions as prescribed by HKSCC from time to time.

CHAPTER 9

CLEARING SERVICES

904. Clearance of other transactions : SIs

Except in relation to Exchange Trades, China Connect Securities Trades, Clearing Agency Transactions, Investor Settlement Instructions, Transfer Instructions and Cross-border Transfer Instructions, the clearance of any other transaction to be settled in CCASS will require the input by each Participant other than an Investor Participant to such transaction (whether using a CCASS Terminal or, if the Participant is a Synapse User, via Synapse) of a Settlement Instruction, containing such details as are specified in and otherwise in accordance with the Operational Procedures. Where the details input by the Participant contain information of or relating to any person other than a Participant, the Participant undertakes and

confirms to HKSCC that it has obtained the written consent of the relevant person to input the information for the purpose of the Rules and to facilitate the provision of CCASS services by HKSCC to Participants in accordance with the Rules. Notwithstanding the input of any such details in a Settlement Instruction by a Participant, HKSCC shall be under no obligation to recognize any right or interest which any person may have or claim to have in relation to the relevant transaction or any matters concerning CCASS, and the Participant shall at all times be liable as principal to HKSCC.

Settlement Instructions input by Participants will be subject to matching in accordance with the Operational Procedures and when matched, the relevant transactions will, unless rejected by HKSCC, be accepted for settlement in CCASS in accordance with the Rules.

For the avoidance of doubt, HKSCC will not be responsible in any way for the failure of a Participant to settle an SI Transaction in CCASS in accordance with the terms as agreed between the two counterparty Participants.

CHAPTER 19

INDEMNITY

1901. Scope of indemnity

Each Participant shall indemnify HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC and their respective agents, nominees, representatives, officers and employees and hold each of them harmless against all costs, fees, expenses, liabilities, taxes, assessments, losses, fines, penalties, and damages of any nature whatsoever (including the interest accrued to any such amount) suffered or incurred by any of them directly or indirectly as a result of or in connection with the following matters (except where HKSCC is guilty of anything not done or not omitted to be done in good faith on its part and is directly responsible for the losses etc.):

- (i) the participation in CCASS by the Participant and/or its activities in CCASS, the provision of services by HKSCC to the Participant in respect of Eligible Securities held or recorded in CCASS or by an Appointed Depositary (as the case may be), the provision of Synapse services by HKSCC to the Participant if the Participant is a Synapse User and the provision of the FX Services by HKSCC as TSF operator to TSF CCASS Participant and all matters relating thereto as contemplated in the Rules;
- (ii) the failure by the Participant to comply with the provisions of the Rules and the Participant Agreement (including, without limitation, the representations and warranties contained therein) or to comply with any directions or regulations of HKSCC;

- (iii) the actions or omissions by HKSCC or its agents, nominees, representatives, officers and employees in reliance on instructions or communications believed in good faith by any of them to have been given by or on behalf of the Participant (including, but not limited to, the giving of effect to such instructions or communications by any of them) or the failure of the Participant to give instructions to HKSCC as contemplated in the Rules;
- (iv) the acceptance by HKSCC of Eligible Securities deposited by the Participant (including Eligible Securities deposited by the Participant for credit into the CCMS Collateral Account and TSF Accounts, and Eligible Securities held by an Appointed Depository) and the giving of effect to transactions relating thereto by HKSCC in accordance with the Rules; and the withdrawal of Eligible Securities by the Participant;
- (v) the registration of Eligible Securities in the name of HKSCC or its nominee or in the name of an Appointed Depository or its nominee (as the case may be) and the withdrawal of such Eligible Securities by the Participant (including, without limitation, all assessments, calls, taxes and charges in respect thereof; losses, liabilities and expenses arising from claims by third parties; and the inability of any person entitled to exercise or enjoy any rights, entitlements and benefits accruing thereto on a timely basis);
- (vi) the failure by the Participant to make payment or to deliver Eligible Securities, or to perform such other duties or obligations contemplated in the Rules;
- (vii) the failure of any Designated Bank to perform in relation to money settlement services in CCASS and other matters involving payments as contemplated in the Rules;
- (viii) anything done, omitted or suffered by HKSCC under, arising out of or in connection with the CMU Software Sub-license Agreement, the CMU Membership Agreement including the CMU Rules and CMU Manual referred to therein (as referred to in Rule 703) or the CMU Service, insofar as the same arises out of or is connected with or related to Tender Instructions or Transfer Instructions given by the Participant;
- (viiiia) anything done, omitted or suffered by HKSCC, its agents, nominees, representatives, officers and employees under, arising out of, in connection with or otherwise related to Cross-Border Transfer Instructions given by the Participant;
- (ix) any proceeding or investigation brought by or on behalf of any government, regulatory body, self-regulatory organization, or any other regulatory authority exercising disciplinary functions to which the Participant is subject;

- (x) any action by HKSCC or its agents, nominees, representatives, officers and employees in respect of Eligible Securities held or recorded in CCASS or by an Appointed Depositary, taken in good faith to comply with any law, decree, regulation or order of any government, competent authority or any court or tribunal;
- (xi) any actions or omissions by HKSCC or its agents, nominees, representatives, officers and employees in relation to SSA Statement Recipients (including but not limited to any acts or omissions in reliance on or pursuant to the authorization of the Participant under Section 3.4A of the Operational Procedures) and all matters relating thereto as contemplated in the Rules;
- (xii) any actions taken or any transactions entered into by HKSCC, as TSF operator, to adjust, amend, or reverse any TSF FX Transactions or Stock Release FX Transactions in respect of or for a Participant which is a TSF CCASS Participant, whether such adjustment, amendment or reversal arises from a Trade Amendment or otherwise; and
- (xiii) any actions taken by HKSCC, as the operator of Synapse, to effect any instruction in respect of or for a Participant which is a Synapse User.

CHAPTER 20

DISCIPLINARY ACTIONS

2001. Circumstances subject to disciplinary actions

Subject to Rule 2013, 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 :-

- (i) a breach of the Rules or the Participant Agreement (including, without limitation, in the case of a Clearing Participant, where the Clearing Participant fails to comply with its obligations to HKSCC or to other Clearing Participants (as the case may be) in relation to the due and punctual settlement under the CNS System or under the Isolated Trades System and matters relating thereto);
- (ii) a failure to comply with any conditions or requirements for its continued participation in CCASS as are from time to time imposed by HKSCC;
- (iii) a failure to comply with any decision, requirement, condition or direction of HKSCC having binding effect;

- (iv) a failure to co-operate with HKSCC in matters relating to CCASS or an Appointed Depositary, whether or not relating to the Participant, which materially affects the interests of HKSCC or other Participants;
- (v) 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;
- (vi) errors, delays or other conduct detrimental to the operations of CCASS or an Appointed Depositary or conduct which in HKSCC's opinion is detrimental to the interests or reputation of HKSCC or other Participants;
- (vii) provision to HKSCC of information (including information for the purpose of becoming a Participant) which is false, misleading or inaccurate in a material particular;
- (viii) being knowingly concerned in, or improper conduct which causes or contributes to, an act of misconduct falling within sub-paragraphs (i) to (vii) of this Section by another person;
- (ix) failure to pay a fine or comply with any other disciplinary action or penalty imposed by HKSCC within the specified time;
- (x) 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 Depositary;
- (xi) failure to provide information requested by an exchange, clearing house, regulatory authority or an organization (whether within or outside Hong Kong) 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) or pursuant to Rule 1703(iii) or (vii);
- (xii) 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;
- (xiii) 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 12A of the Operational Procedures and other related provisions in the Operational Procedures;

- (xiv) 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;
- (xv) 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
- (xvi) if the Participant is a Synapse User, a failure to comply with any conditions or requirements as set out in the Synapse Terms and Conditions and the Synapse User Guide.

CHAPTER 21

DUTIES AND LIABILITIES OF HKSCC

2104. HKSCC not to be liable

In the absence of anything not done or not omitted to be done in good faith on the part of HKSCC, HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC shall have no liability for any losses, costs (including legal costs), charges, assessments and damages of any nature whatsoever suffered or incurred directly or indirectly as a result of or in connection with the following matters:-

- (i) a failure by a Participant to comply with the Rules;
- (ii) the taking by HKSCC of action authorised, permitted or contemplated in the Rules or in any of the arrangements under Rule 703;
- (iii) the insolvency of the Appointed Depositories, HKSCC's own banker, or any other sub-custodians, depositaries, entities or other clearing entities appointed or used by HKSCC in relation to Eligible Securities (provided that the selection by HKSCC of such persons shall not have been unreasonable);
- (iv) any delays, acts or omissions of any Designated Bank of, or of any operator of, any clearing house

for an Eligible Currency or of any institution or person providing clearing and settlement services in any Eligible Currency or the insolvency of any of the foregoing;

- (v) the inability of HKSCC to perform as a result of the invalidity or, cancellation of any insurance or assurances effected by HKSCC or the insolvency of such insurers or assurers (provided that the selection of such insurance, assurances or insurers by HKSCC shall not have been unreasonable at the time of selection);
- (vi) the taking by HKSCC of any action or omission in accordance with the directions of any governmental or regulatory body, or an order made or directions given by a court in exercise of its proper jurisdiction, where it is required to do so by law;
- (vii) any system used by HKSCC, or any third party system upon which HKSCC is reliant in the operation of CCASS or the settlement and/or clearance of transactions involving Foreign Securities or Uncertificated Eligible Securities is not millennium compliant or is otherwise unable to exchange date information, a Participant fails to conduct appropriate tests of any system on its own or with other systems to ensure it is millennium compliant, or any failure by HKSCC to obtain appropriate warranties, certificates or other commitments from any system's supplier or a failure to take any steps to enforce the same. For these purposes millennium compliant means that the system can handle date information before, during and after 1 January 2000, the advent of the year 2000 and leap years and the new century does not cause the system to cease functioning accurately or to be interrupted and the system responds to two digit date and year input in a way that resolves any ambiguity as to century in a disclosed, defined and pre-determined manner;
- (viii) any act or omissions of any Issuer, any agent of the Issuer or any other party involved in a New Issue, including any delay by any Issuer or its agents in notifying HKSCC of (a) the identity of Participants to whom New Issue Shares have been allocated and the number of New Issue Shares allocated to each of them or (b) the identity of Participants whose applications or tender have been unsuccessful in whole or in part and the amounts of the refunds due to each of them or any failure by any Issuer so to notify HKSCC or the insolvency of any Issuer, any agent of any Issuer or any such other party and/or any error, discrepancy, default, failure or delay by any Issuer or its agent in paying the New Issue Brokerage into the General Purpose Designated Bank Accounts of the Clearing Participants which are Exchange Participants or otherwise;
- (ix) any acts or omissions of the HKMA or the employees or agents of the HKMA including (a) termination or suspension of HKSCC's appointment as a Recognized Dealer or HKSCC's membership of the CMU Service, (b) closure, termination, suspension or freezing of HKSCC's CMU Account or any sub-account(s) under it, (c) cancellation, freezing or suspension of trading in any Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments credited to HKSCC's CMU Account, or tendered or applied for by HKSCC in response to Tender

Instructions, (d) the conduct of any issue of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments, including the tendering or application process and any suspension or cancellation of the issue or the tendering or application process or (e) suspension, failure, malfunction, overload, variation or termination of the CMU Service whether wholly or partially or in a particular case or in respect of one or more processes or transactions;

- (x) any acts or omissions of the owners and licensees of all hardware and software operated or used by the HKMA or HKSCC for the purposes of or in connection with the CMU (including the CMT Terminal and the hardware referred to in and the software which is the subject of the CMU Software Sub-licence Agreement between Hong Kong Interbank Clearing Limited and HKSCC) (or any acts or omissions of the employees or agents of those owners and licensees) or any loss or damage whatsoever or howsoever caused arising directly or indirectly out of or in connection with the use of the CMT Terminal and any such hardware or software or any failure of or error or inaccuracy in the operation of the CMU;
- (xi) any acts, omissions or delays of the issuer of Exchange Fund Notes, Government Bonds, any Specified Instruments or any CMU Instruments, or any arranger, promoter or co-ordinator of any such issue (or any other person involved in any such issue) or the employees or agents of any of the foregoing;
- (xii) any acts, omissions or delays of the manager or trustee of any Exchange Traded Fund or the arranger or promoter of any issue of Units (or any other person involved in their issue) or the employees or agents of any of the foregoing;
- (xiii) any acts, omissions or delays of any Appointed Depositary or its employees or agents;
- (xiv) any proceeding or investigation brought by or on behalf of any government, regulatory body, self-regulatory organization, or other regulatory authority exercising any disciplinary functions to which the Participant is subject;
- (xv) any acts, omissions, defaults or delays of the Issuer of any Eligible Securities, or any other party involved in any Eligible Securities or the employees or agents, representatives or intermediaries of any of the foregoing (including an Issuer's principal or branch share registrar), or the insolvency of any of the foregoing;
- (xvi) the operation of the CMU Service or the taking by HKSCC of any action or omission in accordance with the provisions in the CMU Membership Agreement including the CMU Rules and CMU Manual (as referred to in Rule 703) including compliance with any notice or requirement of the HKMA not to make or allow any transfer, dealing or disposition of CMU Instruments in CMU Account or compliance with directions given by the HKMA thereunder;

- (xvii) any acts, omissions or delays of any entity, as referred to in Rule 823, with which an Overseas Account is maintained or with which HKSCC or its nominee has entered into relevant arrangements, or the insolvency of such entity;
- (xviii) any acts, omissions or delays of any service provider or any other person through which SMS and/or E-mail is provided or its employees or agents;
- (xix) any acts, omissions or delays of any Depository or its employees or agents;
- (xx) in relation to the provision of FX Services, any acts, omissions, defaults, failure to perform obligations or delays of any TSF Partner Bank or any other person providing RMB to HKD and/or HKD to RMB conversion services and/or liquidity to HKSCC, as TSF operator, or the insolvency of any of the foregoing;
- (xxi) the inability of HKSCC to settle any TSF FX Transactions or Stock Release FX Transactions due to any acts, omissions, defaults, failure to perform obligations or delays of any TSF Partner Bank or any other person providing RMB to HKD and/or HKD to RMB conversion services and/or liquidity to HKSCC, as TSF operator, or the insolvency of any of the foregoing;
- (xxii) any failure, omissions, errors, delays, malfunction, suspension or cessation of operation of any system used by HKSCC or any third party system upon which HKSCC is reliant in the operation of the TSF, publication of FX rates or the provision of FX Services (including any system used by a TSF Partner Bank);
- (xxiii) any suspension of the FX Services, any failure to provide or publish any FX rates or the cessation of operation of the TSF;
- (xxiv) any defective, incorrect, incomplete or omission of information provided by the Issuer of any Eligible Securities or its employees or agents;
- (xxv) any failure, omissions, errors, delays, malfunction, suspension or cessation of operation of SWIFT or any system upon which HKSCC is reliant for the provision of the CA ISO Message Service; and/or
- (xxvi) any acts, omissions or delays of any Synapse User or any failure by any Synapse User to comply with the Synapse Terms and Conditions or any requirements in the Synapse User Guide.

Nothing in this Rule 2104 shall operate to limit or restrict the operation of Rule 2103.

CCASS OPERATIONAL PROCEDURES

Definitions

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

“Settlement Instruction” or “SI”

means an instruction of a Participant, in such form or manner as HKSCC may from time to time prescribe as being valid (including through a CCASS Terminal or Synapse), relating to transactions in Eligible Securities (other than Exchange Trades, China Connect Securities Trades, Clearing Agency Transactions, Electronic Application Instructions for New Issue Shares, Investor Settlement Instructions, Transfer Instructions and Cross-border Transfer Instructions) to be settled in CCASS, as referred to in Rule 904;

“Stock Segregated Account Transfer Instruction” or “STI”

means an instruction of a Clearing Participant or Custodian Participant, in such form or manner as HKSCC may from time to time prescribe as being valid (including through a CCASS Terminal or Synapse), to effect book-entry movements of Eligible Securities between an SSA with Statement Service or a Special Segregated Account and any other Stock Account of the Participant in CCASS (including any other SSA with Statement Service or Special Segregated Account but excluding the Stock Collateral Control Account and where a Clearing Participant or a Custodian Participant is a TSF CCASS Participant, excluding also the TSF Accounts), as referred to in Rule 601;

“Synapse”

means the communications platform operated by HKSCC which provides a channel for the transmission of information and instructions among Synapse Users, CCASS and any other system that interfaces with Synapse for the facilitation of post-trade processes and workflows pertaining to China Connect Securities Trades or for such other purposes as may be prescribed or permitted by HKSCC from time to time;

“Synapse Terms and Conditions”

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

“Synapse User”

means, for the purposes of these Rules, a Participant which is accepted by HKSCC to use Synapse as a “Clearing Participant” or “Local Custodian” under the Synapse Terms and Conditions;

“Synapse User Guide”

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

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

“SI Activity Report”

means, in relation to a Participant (other than an Investor Participant), a daily report provided by HKSCC to it showing (i) details of all SI input activities of the Participant on the previous day, and (ii) details of its SIs that are matched, revoked (either using a CCASS Terminal or via Synapse) or purged by CCASS before the end of the previous day, as referred to in Section 12.1.8 (refer to the CCASS Terminal User Guide for Participants for details);

“Synapse Report”

means the report to be available in Synapse in relation to Synapse-related activities as from time to time prescribed in the Synapse User Guide;

Section 2

Participants

2.3 STOCK ACCOUNTS AND CCMS COLLATERAL ACCOUNTS

2.3.4 Book-entry record of Eligible Securities

The Eligible Securities of a Participant in CCASS will be recorded in its Stock Account(s).

At the time of deposit of Eligible Securities, a Participant other than an Investor Participant may designate one or more Stock Accounts, other than the Stock Collateral Control Account and the TSF Accounts (if the Participant is a TSF CCASS Participant), to be credited with such Eligible Securities.

A Participant may move Eligible Securities between its Stock Accounts, other than its Stock Collateral Control Account, SSA with Statement Service and Special Segregated Accounts, by the input of an “Account Transfer Instruction” or by the upload of an “ATI Batch File” or from its Stock Clearing Account to a Stock Segregated Account other than an SSA with Statement Service or a Special Segregated Account by the input of a “Mass ATI”.

A Clearing Participant or a Custodian Participant may move Eligible Securities from one of its Stock Accounts, other than the Stock Collateral Control Account and any one of its TSF Accounts (if the Clearing Participant or Custodian Participant is a TSF CCASS Participant), to any one of its SSA with Statement Service or Special Segregated Accounts, or vice versa by the input of a “Stock Segregated

Account Transfer Instruction” or by the upload of an “STI Batch File” or from its Stock Clearing Account to an SSA with Statement Service or a Special Segregated Account by the input of a “Mass STI”.

Subject to the Rules, a Clearing Participant or a Custodian Participant may, in respect of each SSA with Statement Service of the Participant, authorise the SSA Statement Recipients named and/or maintained by the Participant in relation to the SSA with Statement Service to give affirmation to STI input (and authorised, if required) by the Participant before the STI is accepted by HKSCC. Any STI input (and authorised, if required) by a Clearing Participant or a Custodian Participant in relation to a SSA with Statement Service which is to be affirmed by the relevant SSA Statement Recipient is a STI (with affirmation) and otherwise a STI (without affirmation).

A Clearing Participant or a Custodian Participant inputting a STI shall state in the STI whether the STI Transfer is to be effected on a DVP or FOP basis. Any STI transmitted through Synapse involving China Connect Securities shall be effected on an FOP basis only. STI Transfer to be effected on a DVP basis is only available to the STI Transfer with Eligible Securities debited from SSA with Statement Service. For STI Transfer to be effected in CCASS on a DVP basis, upon the completion of transfer of the Eligible Securities, HKSCC will issue EPIs in the normal way to the Designated Banks of the Clearing or Custodian Participants concerned to effect payment and cause credits to the bank accounts of SSA Statement Recipients.

Delivery of Eligible Securities under an STI Transfer (other than that involving a Special Segregated Account) will be effected by HKSCC by way of on-line delivery upon input (and authorisation and affirmation, if required) of an STI if there are sufficient Eligible Securities in the delivering Stock Account at the time of input or an STI Batch-run.

Delivery of Eligible Securities under an STI Transfer involving a Special Segregated Account will be effected by HKSCC as follows:

- (i) the STI Transfer will be placed in the “Pending for Transfer” status if input and authorisation of the STI are made between 8:15 a.m. and the time the FCS is available to the China Connect Clearing Participant, and will be effected by HKSCC if there are sufficient Eligible Securities in the delivering Stock Account at the time of an STI Batch-run in accordance with Section 6.2.2; and
- (ii) the STI Transfer will be placed in the “Transferred” status and effected by HKSCC immediately if input and authorisation of the STI are made at a time after the FCS is available to the China Connect Clearing Participant and before the final CNS Batch-settlement-run and there are sufficient Eligible Securities in the delivering Stock Account,

provided that if the STI Transfer in either of the above cases involves the delivery of an Eligible Security from a non-Special Segregated Account to a Special Segregated Account, the STI Transfer will be effected only if the China Connect Clearing Participant has no outstanding CNS short position in the same Eligible Security.

Delivery of Eligible Securities in CCASS from one Participant to another will be achieved by means of a debit entry to the Stock Account (other than the Stock Collateral Control Account) of the delivering Participant and a corresponding credit entry to the Stock Account (other than the Stock Collateral Control Account) of the receiving Participant.

Section 6

Operational and Service Schedule

6.2 DAILY PROCESSING AND SERVICE SCHEDULE FOR PARTICIPANTS OTHER THAN INVESTOR PARTICIPANTS

The daily processing and service schedule in CCASS below only sets out the major events. For details on the daily processing and service schedule availability in CCASS (including RMS), please refer to the CCASS Terminal User Guide for Participants and the RMS Guide.

6.2.2 Daily Processing and Service Schedule in relation to China Connect Securities

Time	CCASS (including RMS) events
7:00 a.m.	<p>Revaluation of General Collateral Inventory</p> <p>Commencement of RMS for retrieval of reports and data files</p>
7:15 a.m.	<p>Commencement of the following services and functions through CCASS Terminal and Participant Gateway where applicable:</p> <ul style="list-style-type: none"> (i) clearing services (ATI/STI and SI maintenance and upload functions); (ii) acceptance of SI and STI transmitted to CCASS through Synapse; and (iii) clearing and settlement services enquiry functions, Enquire Broadcast Message function and report retrieval functions.

All previous day's reports are available for retrieval

Time	CCASS (including RMS) events
7:30 a.m. (around)	First batch of scrip entitlement distribution for both SSE Market and SZSE Market
8:00 a.m.	Commencement of the following services and functions through CCASS Terminal and Participant Gateway where applicable: <ul style="list-style-type: none"> (i) Mass ATI/STI maintenance function; (ii) Intra-day Payment Standing Instruction (only applicable to nominee payment), Cash Prepayment Standing Instruction and Nominee Payment (Evening) Standing Instruction maintenance functions; and (iii) subscription (except for the acceptance of Take-over Offer of listed securities), election, voting instructions, Shareholding Category Disclosure and Proxy instruction maintenance functions. <p>Generation of CPIs by HKSCC (in respect of money obligations arising from CNS stock positions settled on previous Mainland Business Day) for same day settlement</p> <p>First STI Batch-run</p>
8:15 a.m.	Snapshot taking of total sellable balance of China Connect Securities of China Connect Clearing Participants and their NCCCPs for pre-trade checking in the trading sessions for trading China Connect Securities between the time of such snapshot and the time of the next snapshot
9:15 a.m.	Second STI Batch-run (excluding Special Segregated Accounts)
10:00 a.m.	Third STI Batch-run (excluding Special Segregated Accounts)
11:45 a.m.	First SI matching
12:00 noon	Deadline for inputting election instructions, where the deadline prescribed by HKSCC for inputting such instructions falls on such day
12:45 p.m.	Fourth STI Batch-run (excluding Special Segregated Accounts)

Time	CCASS (including RMS) events
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 (only applicable to nominee payment) in order to have such instructions effected on the same day
1:45 p.m.	Second SI matching
2:00 p.m.	Deadline for submitting the following instructions in relation to the Collateral provided for the early release of Securities-on-hold, in order to have such instructions effected on the same Settlement Day: <ul style="list-style-type: none"> (i) standing instructions to request HKSCC not to redeliver the Collateral or instructions to cancel such standing instructions; and (ii) withdrawal instructions to request HKSCC to redeliver all or any of the Collateral.
2:30 p.m. (around)	Generation of Intra-day Payment Instructions (only applicable to nominee payment) by HKSCC
3:00 p.m.	Third SI matching Close of Cash Prepayment Standing Instruction maintenance function
3:30 p.m.	Fifth STI Batch-run (excluding Special Segregated Accounts) 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
3:45 p.m. (around)	Second batch of Corporate Announcement Master Data File and Corporate Announcement Maintenance Activities Report available

Time	CCASS (including RMS) events
4:00 p.m. (after)	<p>Final Clearing Statement or FCS in respect of China Connect Securities Trades effected via a Trading Link available to China Connect Clearing Participants</p> <p>Commencement of Cash Prepayment Instruction Maintenance and DI input functions</p> <p>Application for the early release of Securities-on-hold available</p>
4:05 p.m. (around)	<p>Generation of EPIs by HKSCC for same day settlement</p>
4:15 p.m.	<p>Deadline for inputting voting instructions, Proxy instructions and Shareholding Category Disclosure where the deadline prescribed by HKSCC for inputting such instructions falls on such day</p>
4:45 p.m.	<p>Fourth SI matching</p> <p>First Batch-settlement-run</p>
5:00 p.m.	<p>Fifth SI matching</p> <p>Sixth STI Batch-run (for STI Transfers on FOP basis only and excluding STI Transfers from Special Segregated Accounts)</p>
5:30 p.m.	<p>Sixth SI matching</p> <p>Second Batch-settlement-run</p> <p>Seventh STI Batch-run (for STI Transfers on FOP basis only)</p> <p>Deadline for inputting DI for settlement of SI stock positions in Eligible Currencies other than RMB on RDP basis</p> <p>Deadline for inputting Cash Prepayment Instructions with “CHATS” selected as the payment method</p> <p>Deadline for submitting an application for the early release of Securities-on-hold and transferring same day available funds as Collateral for the early</p>

Time	CCASS (including RMS) events
	release to HKSCC's specified bank account
5:45 p.m. (around)	Reconciliation of China Connect Securities Trades with the relevant China Connect Clearing House
6:00 p.m.	Deadline for inputting Cash Prepayment Instructions with "OTHERS" selected as the payment method
6:00 p.m. (around)	Second batch of scrip entitlement distribution for SSE Market
6:15 p.m. (around)	Third batch of Corporate Announcement Master Data File and Corporate Announcement Maintenance Activities Report available
	Seventh SI matching
	Eighth STI Batch-run (for STI Transfers on FOP basis only)
	Third Batch-settlement-run
7:00 p.m.	Close of Intra-day Payment Standing Instruction maintenance (only applicable to nominee payment), election, voting, Shareholding Category Disclosure and Proxy instructions maintenance functions
	Close of ATI/STI maintenance and upload functions
	Third batch of scrip entitlement distribution for SSE Market
7:00 p.m. (around)	Eighth SI matching
	Fourth Batch-settlement-run
	Deadline for inputting DI for settlement of SI stock positions in RMB on RDP basis and CNS stock positions
	Commencement of SPSA Delivery Failure maintenance function and subscription instructions maintenance function (for all announcement types)

Time	CCASS (including RMS) events
	Second session of ATI/STI maintenance/upload services commence
	Ninth STI Batch-run (for STI Transfers on FOP basis only)
7:00 p.m. (after)	Calculation of Mainland Settlement Deposit
7:30 p.m.	Close of SI upload function
	Tenth STI Batch-run (for STI Transfers on FOP basis only)
7:45 p.m.	Close of SI maintenance function, DI input function (for settlement of SI stock positions only), Mass ATI/STI maintenance function, SPSA Delivery Failure maintenance function and subscription instructions maintenance function
	Close of acceptance of SI transmitted to CCASS through Synapse
	Final SI matching
	Final Batch-settlement-run (for settlement of SI stock positions on DVP and FOP basis only)
8:00 p.m.	Final STI Batch-run (for STI Transfers on FOP basis only)
	Close of all enquiries, except for CCMS enquiry, Enquire Sellable Balance Adjustment Request and Enquire Broadcast Message functions
	Close of ATI/STI maintenance and upload functions
	Close of acceptance of STI transmitted to CCASS through Synapse
8:00 p.m. (after)	Second batch of scrip entitlement distribution for SZSE Market
8:05 p.m. (around)	Generation of EPIs by HKSCC for same day Night Settlement
8:30 p.m.	Close of CCMS enquiry function
	Final batch of scrip entitlement distribution for SSE Market

Time	CCASS (including RMS) events
	Third batch of scrip entitlement distribution for SZSE Market
8:30 p.m. (around)	Generation of DDIs, DCIs and EPIs by HKSCC for settlement on the next Business Day
9:00 p.m.	Close of Enquire Sellable Balance Adjustment Request function
	Final batch of scrip entitlement distribution for SZSE Market
9:30 p.m.	Report retrieval and Enquire Broadcast Message functions through CCASS Terminal and Participant Gateway close
9:30 p.m. (after)	Snapshot taking of total sellable balance of China Connect Securities of China Connect Clearing Participants and their NCCCPs for pre-trade checking
12:00 a.m.	Report retrieval through RMS close

Notes:

- (i) Report retrieval functions through CCASS Terminal and Participant Gateway are available on Saturdays (except public holidays).
- (ii) The schedule set out above is indicative only.
- (iii) Final Clearing Statement or FCS availability to China Connect Clearing Participants is subject to HKSCC's timely receipt of clearing information from the relevant China Connect Clearing House.
- (iv) The commencement of the fourth Batch-settlement-run is subject to HKSCC's timely receipt of settlement information from the relevant China Connect Clearing House.

Section 9

Overview of Clearing and Settlement in CCASS

9.1 TRANSACTIONS ACCEPTED FOR SETTLEMENT IN CCASS

In brief, subject to the Rules, transactions in Eligible Securities accepted for settlement in CCASS will be (i) Exchange Trades, (ii) SI Transactions, (iii) Clearing Agency Transactions, (iv) ISI Transactions,

(v) Compulsory Stock Borrowing Transactions and (vi) China Connect Securities Trades. Transfer Instructions to effect transfers of Exchange Fund Notes, Government Bonds or Specified Instruments between a Participant and a Recognized Dealer and Transfer Instructions to effect transfers of CMU Instruments between a Participant and a CMU Member are also accepted for settlement between CCASS and CMU. Cross-Border Transfer Instructions are accepted for settlement and/or clearance by HKSCC on a Free of Payment basis for the time being.

Arrangements have been made by HKSCC for details of the Exchange Trades, China Connect Securities Trades and Clearing Agency Transactions to be reported to HKSCC on a daily basis. Participants will not, therefore, generally have to input into CCASS details of Exchange Trades, China Connect Securities Trades or Clearing Agency Transactions.

SI Transactions are transactions in Eligible Securities to be settled in CCASS between Participants other than Investor Participants, other than Exchange Trades, China Connect Securities Trades, Clearing Agency Transactions and ISI Transactions. Details of SI Transactions are input into CCASS by "Settlement Instructions" or "SIs" given by the two Participants other than Investor Participants concerned to HKSCC either using their CCASS Terminals or via Synapse.

ISI Transactions (see Section 12.3) are transactions in Eligible Securities other than China Connect Securities to be settled in CCASS involving Investor Participants. Details of ISI Transactions are input into CCASS by "Investor Settlement Instructions" or "ISIs" given by a Participant to HKSCC and which are, if required, affirmed by the relevant Investor Participant via the CCASS Phone System or the CCASS Internet System.

Transactions in Eligible Securities can be settled in CCASS, either on a Free of Payment, or FOP, basis, or on a Delivery versus Payment, or DVP, basis or on a Realtime Delivery versus Payment, or RDP, basis.

Compulsory Stock Borrowing Transactions are stock borrowing transactions relating to Eligible Securities which are entered into in accordance with the Compulsory Stock Lending and Borrowing Regulations between HKSCC and a Participant other than an Investor Participant.

Section 12

Non-Exchange Trades – SI Transactions, Clearing Agency Transactions, ISI Transactions, Transfer Instructions and Non-Trade Transfers in China Connect Securities

12.1 SI TRANSACTIONS (BETWEEN PARTICIPANTS OTHER THAN INVESTOR PARTICIPANTS)

12.1.2A Use of Synapse to Input SIs

Other than inputting SIs into CCASS using CCASS Terminals, Participants accepted by HKSCC as Synapse Users may input SIs into CCASS through Synapse.

The use of Synapse by a Participant shall be subject to the Synapse Terms and Conditions, the Synapse User Guide and such other requirements as HKSCC may from time to time prescribe.

12.1.5 SI Functions Available for Use

Various SI functions are available for use by Participants through their CCASS Terminals and Participant Gateways. To access the relevant SI, a Participant will need to key into its CCASS Terminal or Participant Gateway the SI Input Number of such SI.

At any time before matching, all data input fields of an SI may be changed by a Participant through the “Change SI” function (either using a CCASS Terminal or via Synapse). Once matched, the only input data of an SI which can be changed are the DI requirement field (see item (l) of Section 12.1.2(i)) through the “Change DI Requirement” function (see further Section 13.2.3), the Hold Matched SI requirement field (see item (p) of Section 12.1.2(i)) through the “Change Hold Matched SI” function and certain non-matching input fields, namely, the stock settlement account, client name, internal transaction reference, SI linkage reference, remarks and Processing reference fields (see items (f), (j), (m), (n), (o) and (q) of Section 12.1.2(i)) through the “Change Matched/Settled SI” function.

At any time before a matched SI is settled, either the delivering or the receiving Participant may revoke the SI with matched or matched on-hold status through the “Revoke Matched SI” function (either using a CCASS Terminal or via Synapse). In the case of a SI Transaction which is to be settled on a RDP basis, where Eligible Securities have been put on hold in the delivering Participant’s Stock Account (i.e. the SI Transaction status is “Shares On-hold”), only the receiving Participant is allowed to revoke the SI, and where the SI Transaction status has been updated to “Payment Validated”, neither the delivering nor the receiving Participant is allowed to revoke the SI.

Participants should refer to the CCASS Terminal User Guide for further information on the SI functions available for use by Participants.

12.1.6 Settlement of SI Transactions

(vi) China Connect Securities

Input and matching of SIs relating to China Connect Securities will be conducted at stated times in CCASS on each Business Day in accordance with Section 6.2.2. SI Transactions in China Connect Securities inputted into CCASS on a Business Day will be settled in the Batch-settlement-runs or by the use of DI.

Notwithstanding any other provision in the Rules, the following shall apply to SIs relating to China Connect Securities:

- (a) Repealed
- (b) Repealed
- (c) SIs which involve the delivery by a China Connect Clearing Participant of a China Connect Security from its Stock Accounts will only be effected in the first to fourth Batch-settlement-runs provided that such Stock Accounts are Special Segregated Accounts or that the China Connect Clearing Participant has no outstanding short stock position in such China Connect Security under the CNS System ; and
- (d) Repealed
- (e) in the event that a China Connect Clearing Participant has any short stock positions in a China Connect Security under the CNS System which are outstanding for settlement on the due date after the fourth Batch-settlement-run, SIs which involve the delivery by the China Connect Clearing Participant of such China Connect Security from its Stock Accounts will only be effected under the following circumstances:
 - (i) where the overdue short positions are solely due to the failure of the China Connect Clearing Participant to transfer such China Connect Securities to its Stock Clearing Account for CNS settlement, but the China Connect Clearing Participant has since transferred sufficient quantity of China Connect Securities to its Stock Clearing Account; or
 - (ii) where the overdue short positions are solely due to an SPSA Delivery Failure and a request for adjustment has been submitted to HKSCC in accordance with Section 2.3.15; or
 - (iii) where the overdue short positions are partly due to an SPSA Delivery Failure and partly due to the failure of the China Connect Clearing Participant to transfer such China Connect Securities to its Stock Clearing Account for CNS settlement, and (i) in respect of the SPSA Delivery Failure, a request for adjustment has been submitted to HKSCC in accordance with Section 2.3.15 and (ii) in respect of the overdue short position which are not due to SPSA Delivery Failure, the China Connect Clearing Participant has since transferred sufficient quantity of China Connect Securities to its Stock

Clearing Account.

Each Participant using Synapse to input SIs in respect of an SI Transaction which involves the delivery of China Connect Securities for the onward settlement of a China Connect Securities Trade under the CNS System must have contingency measures and backup processes in place to ensure the timely input of SIs into CCASS in respect of any such SI Transaction in case there is any unavailability, disruption, suspension, or delay in the operation of Synapse.

12.1.8 Relevant CCASS Reports

(i) Reports available

Four sets of reports relating to SI transactions are available in CCASS, namely:

- (a) the SI Activity Report;
- (b) the SI Status Report;
- (c) the Intra-day ISI/SI Full List; and
- (d) the Unmatched SI Report.

The reports are available for retrieval via CCASS Terminals and Participant Gateways. Please refer to Section 16.6 and the CCASS Terminal User Guide for Participants for details.

(ii) SI Activity Report

This report shows details of SIs that are matched, matched on-hold, revoked, or purged by CCASS on each Business Day or Mainland Business Day in the case of SIs relating to China Connect Securities, and lists SI input activities (including input, change, change matched on-hold, authorise, delete and revoke instructions, either using a CCASS Terminal or via Synapse) and maintenance activities of the “Hide Unmatched SI Content Counterparty List” function on that day.

(iii) SI Status Report

This report lists all SIs of a Participant which remain pending or unmatched at the end of each Business Day or Mainland Business Day in the case of SIs relating to China Connect Securities, SIs that are matched but are not yet due for settlement on the following Settlement Day, as well as SIs that are matched but whose settlement has been put on-hold.

(iv) Intra-day ISI/SI Full List

In relation to Eligible Securities other than China Connect Securities, the report shows details of due/overdue ISIs/SIs in such Eligible Securities of a Participant on the current Business Day with

status as of the completion of each Batch-settlement-run and of the completion of each of the fifth, sixth, eighth and final SI matching runs. Details of SIs that are due on a future day are also included in the reports generated after the final Batch-settlement-run.

In relation to China Connect Securities, the report shows details of due/overdue SIs in China Connect Securities of the Participant on the current Mainland Business Day with status as of the completion of each of the Batch-settlement-runs and of the completion of each of the SI matching runs for China Connect Securities. Details of SIs that are due on a future day are also included in the reports generated after the final Batch-settlement-run for settlement of SI stock positions only.

(v) Unmatched SI Report

This report shows the details and reasons of the unmatched SIs on the current Business Day or Mainland Business Day in the case of SIs in China Connect Securities as of the completion of each SI matching run. Where a Participant has specifically elected not to disclose its input data regarding an unmatched SI to the counterparty Participant via the “Hide Unmatched SI Content Counterparty List” function, only the SI Input Number and Participant ID/name of the Participant together with the unmatched reasons would be shown in the Unmatched SI Report of the counterparty Participant and the other details of the unmatched SIs will not be shown.

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.

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.

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.

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

17.2 TYPHOONS AND EXTREME CONDITIONS

17.2.1 General principles

In general, in the event that a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced on any Business Day at or after 9:00 a.m., all CCASS and CCASS Depository services and facilities in relation to Eligible Securities other than China Connect Securities available to Participants other than Investor Participants will be terminated by HKSCC within fifteen minutes except as provided below.

- (i) the SI, ATI, STI upload functions will continue to be available for use in accordance with their normal service hours;
- (ii) the maintenance functions of and relating to SIs, ISIs, ATIs, STIs, DIs, Multi-counter Transfer Instructions, Parallel Trading Conversion Instructions and Cash Prepayment Instructions will continue to be available for use within one hour after the hoisting and will be terminated thereafter;
- (iii) the SI, ISI, ATI, STI, Cash Prepayment Instruction and Intra-day Payment Summary enquiry functions, Enquire Broadcast Message function and such other enquiry functions as HKSCC may from time to time specify will continue to be available for use in accordance with their normal service hours;
- (iv) the maintenance functions of and relating to Collateral Security batch upload and enquiry functions on collateral account balance and movements will continue to be available for use in accordance with their normal service hours; and
- (v) various statements and reports will continue to be available for retrieval and printing in accordance with their normal service hours.

In general, in the event that a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced on any Business Day at or after 9:00 a.m., all CCASS services and facilities in relation to China Connect Securities available to Participants will be terminated by HKSCC within fifteen minutes except as provided below.

- (i) the SI, ATI, STI upload functions will continue to be available for use in accordance with their normal service hours;

- (ii) the maintenance functions of and relating to SIs, ATIs, STIs, DIs, Cash Prepayment Instructions (including SIs and STIs input through Synapse), SPSA Delivery Failure and Nominee-related instructions will continue to be available for use in accordance with their normal service hours;
- (iii) the SI, ATI, STI, Cash Prepayment Instruction, Sellable Balance Adjustment Request and Intra-day Payment Summary enquiry functions, Enquire Broadcast Message function and such other enquiry functions as HKSCC may from time to time specify will continue to be available for use in accordance with their normal service hours; and
- (iv) various statements and reports will continue to be available for retrieval and printing in accordance with their normal service hours.

In general, in the event that a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced on any Business Day, CCASS services and facilities available to Investor Participants via the CCASS Phone System and the CCASS Internet System will continue to be available for use in accordance with their normal service hours. However, ISI (without affirmation) and the subscription instructions input and ISI (with affirmation) affirmed during the period when a Typhoon Signal No. 8 or above 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. If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced on a Business Day at the time when CCASS Depository services and Customer Service Centre service for Investor Participants are available, such services will be terminated by HKSCC within fifteen minutes.

In general, in the event that a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced on any Business Day, access to SSA with Statement Service in CCASS by SSA Statement Recipients via the CCASS Phone System and the CCASS Internet System will continue to be available in accordance with the normal service hours. However, STI (with affirmation) affirmed during the period when a Typhoon Signal No. 8 or above 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) when normal CCASS and CCASS Depository services and facilities resume.

Notwithstanding the foregoing, HKSCC has the discretion to extend the time of access to or termination of any CCASS and CCASS Depository services and facilities to such times and on such terms as it may from time to time specify. Provided that if the Typhoon Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 12:00 noon, normal CCASS and CCASS Depository services will resume two hours thereafter. If the Typhoon Signal is still hoisted or Extreme Conditions are still in force at 12:00 noon, no CCASS and CCASS Depository services or facilities or access to CCASS will be available on that day except those provided in this Section or otherwise specified by HKSCC.

The procedures adopted by HKSCC in relation to typhoons and Extreme Conditions are generally in line with those of the Exchange.

Synapse Terms and Conditions¹

1 Definitions and Interpretation

1.1 In these Terms, unless otherwise expressly stated to the contrary, capitalised terms used herein shall have the following meanings:

“Access Credentials” means any user name, registered email address(es), password(s), identifiers and access keys required to access Synapse and any other details necessary to access (i.e. log in) or use Synapse, as may be prescribed by HKSCC from time to time;

“Authorised User” means a human user or machine user who or which is designated and authorised by a Synapse User (or its designated service provider), through a Delegated Administrator or otherwise, to access and use Synapse on its behalf;

“CCASS” means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

“Commission” means the Securities and Futures Commission of Hong Kong;

“Data Privacy Legislation” means the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and any other similar laws or regulations relating to data protection in any jurisdiction that are applicable to a Synapse User or its use of Synapse, as such laws are amended from time to time;

“Delegated Administrator” means an Authorised User assigned by a Synapse User (or its designated service provider) to administer and manage the access profile of the Synapse User’s (or its designated service provider’s) Authorised Users in Synapse;

“Event of Default” has the meaning given to it in Clause 13.1;

“Event of Force Majeure” has the meaning given to it in Clause 16.1;

“HKEX” means Hong Kong Exchanges and Clearing Limited;

“HKEX Group” means HKEX and its subsidiaries;

“HKEX Website” means the official website of HKEX at <http://www.hkex.com.hk> or at such other website address specified by HKEX from time to time;

“HKSCC” means Hong Kong Securities and Clearing Company Limited;

“Insolvency Event” has the meaning given to it in Clause 13.1.2;

“Interface Specifications” means the specifications and conditions required for a platform or other service provider to meet in order to connect to Synapse, as may be supplemented or amended (effective upon publication) from time to time by HKSCC, and made available on the HKEX Website;

¹ These Terms and Conditions are part of the HKSCC Rules and any amendment thereto shall be subject to the Commission’s approval.

“**Northbound Stock Connect**” means Northbound trading and clearing under the programme established for the mutual stock market access between Mainland China and Hong Kong;

“**Personal Data**” means any information which relates to an identified or identifiable natural person;

“**Recipient(s)**” has the meaning given to it in Clause 6.4;

“**Relevant Party(ies)**” means HKSCC, HKEX, and the subsidiaries, associated companies and affiliates of HKSCC and HKEX from time to time and their respective directors, officers, employees, agents, and other representatives of HKSCC, HKEX or any companies aforementioned;

“**Relevant Persons**” has the meaning given to it in Clause 12.1;

“**Services**” has the meaning given to it in Clause 2;

“**Specified Purposes**” has the meaning given to it in Clause 6.2;

“**Submission**” means the input, transmission or otherwise making available of any information, communications, instructions or other material to or through Synapse, by a Synapse User or a system which interfaces with Synapse;

“**Synapse**” has the meaning given to it in Clause 2;

“**Synapse Application Form**” means the application form and any associated forms prescribed by HKSCC and published on the HKEX Website from time to time through which a Synapse User (or its designated service provider) can, amongst other things, (i) subscribe to become the relevant user type (or designated service provider type) for the access to and use of Synapse, (ii) notify HKSCC of the appointment, change or removal of its Delegated Administrator and (iii) notify HKSCC of other relevant changes related to set up including changes to connectivity;

“**Synapse User**” means a subscriber accepted by HKSCC to access and use Synapse (in the capacity of a user type it opted for in the Synapse Application Form), and where the context so requires, includes its designated service provider and Authorised Users acting on behalf of the Synapse User;

“**Synapse User Guide**” means the guide in respect of the access to and use of Synapse (including details such as user functions), as may be supplemented or amended (effective upon publication) from time to time by HKSCC, and made available on HKEX Website by HKSCC to Synapse Users;

“**Terms**” means these terms and conditions as amended from time to time and in force.

- 1.2** A reference in these Terms to a Synapse User’s Access Credentials shall be deemed to refer to its (or its designated service provider’s) Authorised Users’ Access Credentials.
- 1.3** A reference in these Terms to a Synapse User’s conduct or act (including but not limited to logging into, using and continuing to use, or otherwise accessing Synapse) shall include any such conduct or act done by any person using the Access Credentials of the Synapse User or purportedly with the authority of the Synapse User, whether in fact authorised by the Synapse User or not.
- 1.4** To the extent that there is any inconsistency between these Terms and the Synapse User Guide, these Terms shall prevail.

- 1.5 Words and expressions in the singular include the plural and vice versa.
- 1.6 References herein and in Synapse to times and days are, unless otherwise stated, references to Hong Kong times and days.
- 1.7 Headings are provided for ease of reference only and shall not affect the interpretation or construction of the provisions of these Terms.

2 Services

Synapse is a communications platform operated by HKSCC which provides a channel for the transmission of information and instructions amongst Synapse Users, CCASS and any other system that interfaces with Synapse for the facilitation of post-trade processes and workflows pertaining to transactions under Northbound Stock Connect, and for such other purposes as may be prescribed or permitted by HKSCC from time to time (the “**Services**”). For the avoidance of doubt, Synapse does not perform any clearing or settlement functions, which are undertaken by CCASS.

3 Acknowledgement of these Terms and Use of Access Credentials

- 3.1 These Terms govern the relationship between HKSCC and each Synapse User. Access to and use of Synapse and the Services is subject to and in accordance with these Terms.
- 3.2 Each of the following constitutes full acceptance by the Synapse User of these Terms (including any variations made pursuant to Clause 3.3 herein), and the Synapse User shall be deemed to have read and accepted these Terms upon:
 - 3.2.1 submission of a duly signed and completed Synapse Application Form for the access to and use of Synapse;
 - 3.2.2 use of the Synapse User’s Access Credentials to access Synapse; or
 - 3.2.3 any continued use of Synapse or the Services via the Synapse User’s Access Credentials.
- 3.3 HKSCC reserves the absolute right, in its sole discretion, to unilaterally vary these Terms in any way and at any time, by publishing the updated version on the HKEX Website. The updated version will also be made available to Synapse Users when they log-in to Synapse following the updated version being published on the HKEX Website.
- 3.4 Each Synapse User acknowledges and agrees that the use of Access Credentials, and all acts and omissions and Submissions to or through Synapse by it, its designated service provider and each of their Authorised Users are duly authorised, made on behalf of, and legally binding upon the Synapse User as if such acts or omissions or Submissions were its own.
- 3.5 Each Synapse User agrees to always keep confidential its Access Credentials and shall not permit any person or entity other than its Authorised Users (and its designated service provider’s Authorised Users) to access and use Synapse on a need-to-know or need-to-use basis.
- 3.6 The Synapse User shall be fully liable and responsible for any access and use of Synapse by its designated service provider and its Authorised Users (and its designated service provider’s Authorised Users) including any accidental or unauthorised disclosure of their Access Credentials, any damage and liability (including costs, legal costs, and expenses) caused to

HKSCC and the Relevant Parties in connection with or arising from such unauthorised access and use or from any breach of or non-compliance by its designated service provider and its Authorised Users (and its designated service provider's Authorised Users) with these Terms or any terms under the Synapse Application Form (including any Synapse Application Form or information submitted by its designated service provider or made available to HKSCC).

- 3.7** If a Synapse User becomes aware of or has reasonable grounds to suspect any actual or possible unauthorised use of Access Credentials or breach of these Terms, it shall notify HKSCC by phone at such phone number as HKSCC may from time to time prescribe and shall confirm the same in writing as soon as practicable immediately afterwards to HKSCC. Where HKSCC has been notified of any actual or possible unauthorised use of the Access Credentials of the Synapse User or where the Synapse User is no longer a user of Synapse for any reason, HKSCC will forthwith take steps to cancel or invalidate the applicable Synapse User and its Access Credentials and notify the Synapse User but, until such notification, the Synapse User remains fully responsible and liable for any Submission made and any breach of these Terms committed by any person gaining access to Synapse (whether authorised by the Synapse User or not) by means of the Synapse User's Access Credentials.

4 Terms of Access to Synapse

- 4.1** A Synapse User (or its designated service provider) shall designate Authorised Users to access Synapse on its behalf, and appoint Delegated Administrators to administer and manage the access profile of the Synapse User's (or its designated service provider's) Authorised Users in Synapse.

4.2 Appointment of Authorised Users

- 4.2.1** Subject to Clause 4.2.2, each Synapse User (or its designated service provider) may access and use Synapse and the Services through its Authorised Users and shall not assign, allow access, use, or disclose Access Credentials to any other unauthorised third party which is not an Authorised User.
- 4.2.2** Each Synapse User agrees to (and shall procure that its designated service provider or its (or its designated service provider's) Authorised Users will, to the extent these Terms are applicable to such users) abide by, and be bound by, all the provisions in these Terms as amended and in force from time to time.

4.3 Appointment of Delegated Administrators

- 4.3.1** Each Synapse User (or its designated service provider) shall promptly complete and submit a prescribed form to HKSCC to effect any appointment, change and/or removal of any Delegated Administrator.
- 4.3.2** Each Synapse User (or its designated service provider) shall procure that its Delegated Administrators will promptly update the information in the Synapse User's profile to reflect any appointment, change and/or removal of any Authorised User.

4.4 Access to Synapse

- 4.4.1** To access Synapse, each Synapse User shall log in in accordance with the procedures set out in the Synapse User Guide using the Access Credentials. Access Credentials

shall be set up through channels prescribed by HKSCC or otherwise provided under the Synapse User Guide.

- 4.4.2** In addition, access to Synapse may require use of one-time passwords generated by third party applications, which may have their own governing terms and conditions to which Synapse Users may be subject. Each Synapse User acknowledges the risks of using such third party applications and agrees that HKSCC is not liable for any security risks arising from such use and features including the generation of the one-time passwords.

4.5 User Types and Designated Service Provider Types

- 4.5.1** HKSCC shall assign to each Synapse User a user type based on the subscription opted for by each Synapse User in the Synapse Application Form.
- 4.5.2** HKSCC shall assign to each Synapse User's designated service provider a designated service provider type based on the subscription opted for by such designated service provider in the Synapse Application Form.
- 4.5.3** HKSCC reserves the right to reject and/or require each Synapse User to replace, upon notice, a designated service provider at any time if HKSCC views, in its sole discretion, that such appointed designated service provider may threaten the security, integrity or performance of Synapse and/or or the HKEX Group's systems or software, or that HKSCC reasonably believes that designated service provider would not or has not been able to adequately fulfil these Terms.
- 4.5.4** Each Synapse User agrees to adhere to the functions and roles of the prescribed user type, and to procure that its designated service provider (and each of their Authorised Users) adheres to the functions and roles as a designated service provider, as set out in the Synapse User Guide as amended from time to time and made available on the HKEX Website.
- 4.5.5** Each Synapse User agrees to follow, and to procure that its designated service provider (and each of their Authorised Users, if applicable) follows the onboarding procedures as described in the Synapse User Guide, or any other procedures as prescribed by HKSCC from time to time.

5 Access to and Submission of Information

5.1 General

- 5.1.1** HKSCC has the sole right and discretion to grant or restrict access to information accessible by each Synapse User, in accordance with the user type of the Synapse User or designated service provider type (as the case may be) and the information required for the Synapse User to perform its functions. Without limiting HKSCC's rights, a Synapse User may refer to the Synapse User Guide for details on access rights pertaining to each Synapse User (or its designated service provider).
- 5.1.2** Without limiting the above and notwithstanding what is provided under the Synapse User Guide, HKSCC may vary, suspend, or restrict any Synapse User's access to any information on Synapse, and shall not be required to give any reasons for the exercise of its powers and its decision shall be final and binding on the Synapse User.

5.2 Submissions made to or through Synapse

5.2.1 A Synapse User may provide Submissions or authorise Submissions to be provided to or through Synapse from time to time, in accordance with the Synapse User Guide. Any Submission constitutes agreement by such Synapse User to permit Synapse or HKSCC to transmit information or instructions and perform such other functions for the operations related to Synapse and such other services as may be provided by HKSCC from time to time.

5.2.2 Where applicable, a Synapse User shall be responsible for developing an interface to initiate instructions into Synapse or appointing a suitable authorised agent to develop an interface and to initiate instructions into Synapse on its behalf. It shall notify HKSCC of its arrangement by submitting a duly signed and completed Synapse Application Form to HKSCC. Such Synapse User shall also be responsible for ensuring that:

- (i) such interface complies with the Interface Specifications and all the required features and functionalities for the interface are implemented accordingly;
- (ii) its systems or its authorised agent's systems (as the case may be) are adequately configured to support such interface and have undergone such interface testing as may from time to time be required by HKSCC;
- (iii) its instructions are properly sent to Synapse through such interface in a timely manner;
- (iv) in the event the Interface Specifications are amended, its systems or its authorised agent's systems (as the case may be) are adequately configured to support such updated interface and any interface testing required by HKSCC is completed within the period prescribed by HKSCC;
- (v) before it implements any changes to the arrangement regarding such interface (including changing the entity which will initiate instructions into Synapse on its behalf), it shall notify and seek approval from HKSCC of such intention; and
- (vi) adequate contingency measures in accordance with good industry practice are put in place to enable alternative methods of inputting instructions into Synapse in case of any outage, interruption or unavailability of such interface for any reason.

5.2.3 Each Synapse User represents, warrants, and undertakes, by making each Submission that:

- (i) it has obtained all necessary consents and authorisations prior to making each Submission;
- (ii) to the extent that such Submission contains any information and instruction provided on behalf of another Synapse User, it has obtained that other Synapse User's full and valid authorisation to provide the Submission and on such purposes on behalf of the other Synapse User;
- (iii) where applicable, it has not and shall not, and has procured and shall procure its authorised agent not to, use the Interface Specifications for any purpose other than for the purpose as set out in Clause 5.2.2 above; and

- (iv) to the extent it has appointed an agent to initiate instructions into Synapse on its behalf, it shall be responsible for all instructions initiated by such agent as if they were its own instructions, and has procured and shall procure such agent to comply with the requirements under Clause 5.2.2 above as if it were the Synapse User.

5.2.4 Each Synapse User acknowledges and agrees that any failure to provide a timely Submission may result in the delay of post trade or other workflows and processing schedules which HKSCC shall have no liability or responsibility for.

5.3 Instructions given to Synapse

5.3.1 HKSCC and the Relevant Parties are not required to effect any transaction, or to take any other action, at the demand or upon the instructions of any Synapse User to the extent that the same could in the opinion of HKSCC or the Relevant Parties, violate any law or regulation of any government, or be contrary to any agreement made with HKSCC or the Relevant Parties or any other circumstances specified in these Terms. HKSCC and the Relevant Parties shall be exempted from any liability or damage suffered by Synapse User as a result thereof.

5.3.2 HKSCC and the Relevant Parties shall have no obligation to act on any instruction or communication given or purported to have been given by, with the authority of, on behalf of or for the account of a Synapse User if such instruction does not, in the determination of HKSCC or the Relevant Parties, contain sufficient details for HKSCC and Relevant Parties to act upon or if such instruction conflicts with or duplicates another instruction given or purported to have been given to HKSCC or the Relevant Parties. Any instruction or confirmation provided by a Synapse User shall be irrevocable. If there are any conflicting Submissions, the last Submission in accordance with the determination of HKSCC shall prevail.

5.3.3 HKSCC may or may not provide an audit trail and/or a report to a Synapse User. If HKSCC does provide a report, it shall be the responsibility of the Synapse User to promptly check and reconcile such report with its own records and to notify HKSCC in writing of any error or omission. Except as otherwise agreed by HKSCC, the failure of a Synapse User to inform HKSCC of any error or omission in any report shall constitute a waiver in favour of HKSCC by such Synapse User of any right to require rectification. Notwithstanding the foregoing, HKSCC and Relevant Parties reserve the right to rectify any error or omission at any time.

6 Personal Data

6.1 The Privacy Notice on the HKEX Website forms part of these Terms and references to 'HKEX Website' therein shall be construed as references to Synapse and 'Purpose(s)' specified therein shall be considered "Specified Purposes" under these Terms.

6.2 Without limiting the Privacy Notice, each Synapse User acknowledges and agrees that HKSCC may lawfully collect, hold, process, use, or disclose to the Recipients any Personal Data provided by the Synapse User and pursuant to the Synapse User's access to and use of Synapse for the following additional purposes (each a "**Specified Purpose**"):

- 6.2.1 to perform or discharge the functions of HKSCC and Relevant Parties for the operations related to Synapse;
 - 6.2.2 to administer accounts of Synapse Users and their access rights to Synapse;
 - 6.2.3 to enable Synapse Users to perform their user functions to facilitate the post-trade and other workflows and processes in Synapse;
 - 6.2.4 to conduct research and statistical analysis for the evaluation, improvement, and development of Synapse;
 - 6.2.5 the monitoring and enforcement of compliance with these Terms;
 - 6.2.6 complying with applicable laws and disclosure to law enforcement agencies or relevant regulators; and
 - 6.2.7 any other purposes directly relating to any of the above.
- 6.3** Before providing any Personal Data, each Synapse User represents, warrants, and undertakes that it has a lawful basis and, where required under applicable Data Privacy Legislation, it has provided notices and/or obtained all necessary and valid written consent from each data subject regarding the collection, storage, use, disclosure, and transfer of Personal Data for the Specified Purposes and in accordance with the requirements of Data Privacy Legislation. To the maximum extent permissible under Data Privacy Legislation, the Synapse User undertakes to ensure that the notices and/or consents shall enable HKSCC and the Relevant Parties to continue to store, use, disclose and transfer Personal Data for the Specified Purposes if there is a withdrawal of the data subject's consent (for which the Synapse User shall notify HKSCC).
- 6.4** Without limiting the Privacy Notice, each Synapse User acknowledges and agrees that HKSCC and Relevant Parties may provide or disclose any information relating to the Synapse User, the Synapse User's use of Synapse and information regarding post-trade and other workflows and processes in Synapse, including Personal Data:
- 6.4.1 to any Relevant Parties in connection with the Specified Purposes;
 - 6.4.2 to any prospective or actual successor, assignee, or transferee of, or participant in, any of HKSCC's rights or obligations under these Terms; and
 - 6.4.3 to any person to the extent necessary for complying with applicable laws or with any order, directive, or request in any jurisdiction which HKSCC or Relevant Parties is required to, or which HKSCC or Relevant Parties in good faith believes that it should, comply with, including in relation to alleged money laundering, terrorism, or other illegal activities,

(collectively, the "**Recipients**"), each of whom may be situated in jurisdictions outside Hong Kong or the jurisdiction in which the Personal Data was collected.

7 Representations and Warranties

7.1 Synapse User Representations

Each Synapse User represents, warrants, and undertakes to HKSCC on the date of submitting the Synapse Application Form and on each date that it accesses Synapse that:

- 7.1.1 it is duly incorporated or established and validly existing and in good standing under the laws of its jurisdiction of incorporation or establishment;
- 7.1.2 its registration for use of Synapse and the acceptance and performance of its obligations under these Terms has been duly authorised with all necessary corporate or third party approvals obtained and do not violate the constitutive documents of the Synapse User or any law, regulation or other agreement binding on the Synapse User;
- 7.1.3 these Terms constitute a legally binding and enforceable contract;
- 7.1.4 the Synapse User has full power, authorisation and authority (including from the authorising Synapse User) to execute, deliver and perform its obligations under, and provide Submissions or cause Submissions to be provided to or through Synapse, including by way of provision of confirmation or acceptance on Synapse, which at the respective stages of an information or instruction transmission process shall, to the extent applicable, constitute agreement by such Synapse User to proceed with the instruction and be irrevocably bound by such instruction;
- 7.1.5 the use of Synapse (including all Submissions provided) by the Synapse User will not subject HKSCC or Relevant Parties to the laws or regulations of any place outside of Hong Kong;
- 7.1.6 all information or Submissions provided by it in relation to its registration for the use of Synapse (including information contained in the Synapse Application Form and other onboarding materials and information regarding place of incorporation and domicile) and any subsequent information or Submission which may be provided for the maintenance of its status as a Synapse User from time to time, is and shall be true, complete and accurate. It shall inform HKSCC promptly if any previous information submitted or Submissions made regarding account registration and maintenance become incomplete, inaccurate, or not up to date for any reason and shall provide relevant supporting documents at the request of HKSCC;
- 7.1.7 all Submissions made to or through Synapse will not infringe any third party's copyrights, patents, trademarks, trade secrets or other intellectual property rights;
- 7.1.8 all Submissions will be provided to or through Synapse in a virus-free electronic format according to applicable regulatory requirements or such timing and procedures specified by HKSCC or in any other manner as may be determined by HKSCC. In addition, it will use its best efforts to ensure that any system or means that it uses to access Synapse is free from all viruses, trojan horses, worms, logic bombs or other software routine or hardware components designed to permit unauthorised access, to disable, erase or otherwise harm software, hardware, or data or to perform any such actions;
- 7.1.9 for the purposes of its participation on Synapse, making any Submissions and performing any of its obligations including acting on information received from Synapse, it has and will maintain the requisite licenses, qualifications, and approvals in Hong Kong and/or, as applicable, its home jurisdictions;
- 7.1.10 there are no actions, suits, proceedings, or regulatory investigations pending or threatened against it or any of its affiliates that might adversely affect its ability to meet and carry out its functions on Synapse;
- 7.1.11 no Insolvency Event has occurred;

7.1.12 it has complied with all applicable laws and regulations in connection with its use of Synapse including, without limitation, Data Protection Legislation and all rules, regulations, procedures, and directions of HKSCC and Relevant Parties as may be prescribed and notified to it from time to time. In particular, it has complied with all pre-trade checking and non-trade transfer requirements and regulations it is subject to including those under Northbound Stock Connect; and

7.1.13 it shall be responsible for:

- (i) subscribing for relevant services that interface with Synapse;
- (ii) arranging relevant system setup or system enhancements for the purpose of using different interfaces or systems in connection with Synapse;
- (iii) establishing relevant arrangements or agreements with any other Synapse Users relating to the timely transmission and receipt of information through Synapse;
- (iv) having in place adequate contingency measures to ensure the timely settlement of trades in CCASS in case there is any unavailability, disruption, suspension, or delay in the operation of Synapse, which HKSCC and Relevant Parties disclaim all liability for in accordance with Clause 11; and
- (v) checking and confirming if any instructions transmitted to CCASS through Synapse have been effected or cancelled and making arrangements to re-enter or amend any such instructions if necessary, through CCASS or by any other means, generally and, in particular, during or immediately after any Typhoon Signal No. 8 or above is hoisted and lowered, any Black Rainstorm Warning is issued and cancelled, or any extreme conditions are announced and cancelled by any government authority of Hong Kong, any system interruptions or failure or any other extraordinary situations.

7.2 For the avoidance of doubt, each Synapse User acknowledges and agrees that performance of functions available on Synapse and use of the Services do not guarantee or represent compliance with any required regulatory requirements. Each Synapse User is required to ensure compliance with all applicable regulatory requirements and responsibilities.

7.3 Additional Synapse User Representations

In addition to Clause 7.1, to the extent that a Synapse User has appointed a designated service provider to perform any functions on Synapse or provide any Submission to Synapse, it represents, warrants, and undertakes to HKSCC on the date of submission of the Synapse Application Form by the designated service provider and on each date that its designated service provider or any of its Authorised Users access and/or use Synapse that it has and shall:

- (i) ensure that it has proper controls to monitor activities conducted on its behalf;
- (ii) provide the full and due authorisations to such designated service provider to enable such designated service provider to perform the functions or update the information or instruction on its behalf;
- (iii) authorise HKSCC to act on any instructions or information (including information contained in the Synapse Application Form and onboarding procedures)

provided by such designated service provider from time to time to enable HKSCC to perform or discharge its functions for the operations related to Synapse;

- (iv) be responsible for all Submissions (including its veracity, accuracy, and completeness), actions and omissions, by such designated service provider as if they were Submissions, actions or omissions of its own; and
- (v) procure that such designated service provider (and its Authorised Users) shall comply with the requirements under Clause 7.1 as if it were a Synapse User, to the extent such requirements are applicable to such designated service provider.

8 Confidentiality

8.1 Each Synapse User agrees to keep confidential all information received from Synapse and HKSCC concerning Synapse, HKSCC and Relevant Parties unless:

- 8.1.1** such disclosure is only made to the extent reasonably necessary for the achievement of the objectives of these Terms and effecting the post-trade and other workflows and processes in Synapse;
- 8.1.2** the person to whom the information is disclosed has a business-related need to have access to the confidential information, and
- 8.1.3** such person is made aware of the confidential nature of such information and is required to comply with the confidentiality obligations in this Clause,

or unless such disclosure is only made to the extent required by law, a court of competent jurisdiction or any governmental or regulatory authority.

8.2 Each Synapse User agrees not to use the confidential information of Synapse, HKSCC and the Relevant Parties for any purpose other than to exercise its rights, obligations and performing user functions and facilitating post-trade and other workflows and processes in Synapse and the Services.

8.3 Each Synapse User acknowledges and agrees that HKSCC may disclose the Synapse User's confidential information to:

- 8.3.1** the Relevant Parties;
- 8.3.2** each of its and the Relevant Parties' employees, officers, representatives, contractors, subcontractors, or advisers who need to know such information for the purposes of exercising HKSCC's rights or carrying out its obligations under or in connection with these Terms; on the condition that it shall ensure that its employees, officers, representatives, contractors, subcontractors, or advisers to whom it discloses the Synapse User's confidential information comply with this Clause; and
- 8.3.3** as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority,

each for purposes relating to the facilitation, operation, maintenance and improvement of Synapse and the Services.

8.4 This Clause does not apply to information which:

- 8.4.1** at the time of its disclosure under these Terms is in the public domain;
- 8.4.2** comes into the public domain following its disclosure under these Terms otherwise than as a result of a breach of this Clause;
- 8.4.3** is already in the recipient's lawful possession prior to its disclosure under these Terms free of any restriction as to its use or disclosure; or
- 8.4.4** comes into the recipient's lawful possession following its disclosure under these Terms from a source other than the disclosing party under these Terms and which source does not owe the disclosing party under these Terms any obligation of confidentiality in relation to it.

9 Synapse Fees

- 9.1** Subject to the Commission's approval, HKSCC may impose fees and charges on Synapse Users for providing Synapse and any Services in such amount as HKSCC may from time to time think fit, and prescribe the time and method of payment thereof (the "**Synapse Fees**").
- 9.2** The Synapse User shall be deemed to have accepted any such fees and charges upon receipt of such notice and any continued use of Synapse or the Services via the Synapse User's Access Credentials during the period in which such fees and charges apply.
- 9.3** Each Synapse User shall be charged the Synapse Fees in accordance with the Synapse fees schedule as set out in Appendix of these Terms.
- 9.4** HKSCC shall have the right to (i) amend the Synapse Fees at any time upon giving the Synapse User no less than 180 calendar days notice in writing or (ii) waive all or part of the Synapse Fees at any time upon giving the Synapse User immediate notice in writing.
- 9.5** Any Synapse Fees paid are non-refundable except for Synapse Fees which have been paid in advance which may be refunded on a pro-rata basis, subject to the Synapse User:
 - 9.5.1** having terminated its subscription pursuant to Clause 14.4;
 - 9.5.2** having fully discharged all its obligations under these Terms to the reasonable opinion of HKSCC; and
 - 9.5.3** provided that no refund shall be made in respect of any incomplete month of use subscription.
- 9.6** Each Synapse User shall ensure that all payments of the Synapse Fees shall be free and clear of, and without deduction, withholding or set-off on account of any tax or levy or any other charges, present or future.

10 Intellectual Property and Proprietary Rights

- 10.1** Save for any intellectual property or proprietary rights which a Synapse User may have in relation to any information submitted to or through Synapse, each Synapse User acknowledges and agrees that the contents and materials of the web pages of Synapse (including the organisation and layout of the web pages) or other information not on the web pages of Synapse provided by HKSCC are and remain proprietary to HKEX Group and/or other parties (as

applicable) and all copyright and other intellectual property rights and proprietary rights in them belong to HKEX Group and/or other parties (as applicable).

- 10.2** It is expressly acknowledged that Synapse, and the related systems and software and documentation (including all intellectual property and proprietary rights in connection thereof), and Services are and remain proprietary to HKEX Group and/or the relevant licensor. Each Synapse User shall not, directly or indirectly, tamper with, modify, decompile, reverse engineer, or otherwise alter Synapse or any of the related software systems, web pages or documentation and the Synapse User shall not attempt to gain unauthorised access to any part of Synapse or related software or systems, web pages or documentation. HKSCC is entitled to deny each Synapse User's access to all or any part of Synapse or any of the Services if the Synapse User performs any of the above acts or if HKSCC or Relevant Parties at any time reasonably suspects that the Synapse User has performed or attempted to perform any of them.

11 Disclaimer of Liability

- 11.1** Each Synapse User acknowledges and agrees that any use of or reliance upon any part of Synapse shall be at its sole risk and that use of Synapse and the Services is provided on an "AS IS, AS AVAILABLE" basis and without warranty or condition of any kind, either express or implied.

- 11.2** Without prejudice to any additional disclaimers made on Synapse or the Services, HKSCC and all Relevant Parties shall not be liable or responsible (whether in tort, contract or otherwise) for any claim for any losses or damages of any kind, including loss of profits or revenue, loss of savings, consequential, indirect loss or damage or loss of use (whether direct or indirect) whatsoever and howsoever arising from:

11.2.1 the truthfulness, accuracy and completeness of all Submissions made to or through Synapse or any information obtained from Synapse which shall not be deemed verified or confirmed by HKSCC or the Relevant Parties;

11.2.2 the use of or reliance upon Synapse, or any related system or software, or the Services, including any mishandling, omission, non-delivery, delay, negligent or unauthorised access or use of a Synapse User's account or of the Synapse Users' Access Credentials;

11.2.3 any inaccuracy or omission or from any decision, action or non-action based on or in reliance upon information contained on Synapse;

11.2.4 use of any hyperlinks to any external website or web page contained on Synapse, which will be accessed at the Synapse User's own risk. Each Synapse User acknowledges and agrees that HKSCC and the Relevant Parties are not responsible for the contents of or any of the information on or any broken link to any website linked with Synapse. The inclusion of any link in Synapse does not imply endorsement by HKSCC and the Relevant Parties of the linked sites and HKSCC and the Relevant Parties are not liable for any loss or damage incurred or suffered by the Synapse User or any third party arising out of, in connection with or because of any access to or interaction with any other websites via Synapse;

11.2.5 occasional delays and suspensions of Synapse which may be caused by the unpredictable and inherently unreliable medium of the Internet and evolving technology,

which each Synapse User acknowledges is beyond the Synapse User, HKSCC and the Relevant Parties' reasonable control. The Synapse User acknowledges that, because of such unreliability, there may be occasional delays in the transmission and receipt of its information, communication or other material resulting in delays in the processing of such Submissions submitted to or through Synapse which HKSCC will endeavour to remediate but accepts no liability for; and

11.2.6 any action taken or for any failure, hindrance or delay in the performance in whole or in part of HKSCC's obligations under these Terms if caused in part or in whole by an Event of Force Majeure.

11.3 Each Synapse User agrees and acknowledges that the exclusion or limitation of liability in these Terms is reasonable for the protection of HKSCC and Relevant Parties but, if for any reason under any applicable laws that the exclusion or limitation of certain types of liability may not be permitted, the liability of HKSCC and other Relevant Parties will be excluded or limited to the maximum extent permissible by the applicable laws.

12 Indemnity

12.1 To the maximum extent permitted under applicable law, each Synapse User (and each Synapse User on behalf of each of: (i) its designated service provider, (ii) its and its designated service provider's Authorised Users, and (iii) its agents and representatives) hereby agrees to indemnify HKSCC and the Relevant Parties and each of its related corporations, its affiliates, and their respective agents, nominees, representatives, directors, officers and employees (collectively, the "**Relevant Persons**") and hold each of them harmless against all costs (including legal costs), fees, expenses, liabilities, taxes and damages of any nature whatsoever (including the interest accrued to any such amount) suffered or incurred by any of them directly or indirectly arising from or in connection with the following matters:

- (a) any breach (alleged or otherwise) or non-compliance by the Synapse User of its obligations under these Terms;
- (b) any wilful, unlawful, or negligent act or omission by the Synapse User;
- (c) any viruses which have been introduced by the Synapse User, which affects or causes Synapse or HKSCC's hardware, software and/or other automated systems to potentially or actually fail or malfunction;
- (d) any Submission which is or proves to have been incorrect, incomplete, or misleading in any material respect when provided or failure to notify HKSCC regarding such information which subsequently becomes incorrect, incomplete or misleading;
- (e) any legal proceedings or dispute resolution proceedings of any nature which the Synapse User is a party to or required to take part in, and which requires the Relevant Persons' involvement, including production of information or documents, whether at the request of the Synapse User or otherwise;
- (f) any actions or omissions by the Relevant Persons in reliance on instructions or communications from or on behalf of the Synapse User,

unless such costs, fees, expenses, liabilities, taxes, assessments, losses, fines, penalties, or damages are determined by a court of final jurisdiction to have arisen due to the fraud, gross negligence, or wilful misconduct of such Relevant Person.

13 Events of Default

13.1 Each of the following shall constitute an event of default (each an “**Event of Default**”) in respect of a Synapse User:

- 13.1.1** a material breach of these Terms;
- 13.1.2** a proceeding, procedure or arrangement under any applicable bankruptcy, corporate or insolvency law, a judicial composition, an assignment or arrangement for the benefit of creditors or an application for a receiver, custodian, conservator, administrator, judicial manager, liquidator or trustee has been filed or applied for, by or against a Synapse User other than such proceeding that is disputed in good faith and which is discharged or dismissed within 21 days of commencement, or an order has been made or a resolution has been passed for a Synapse User’s bankruptcy, winding up, liquidation, administration, scheme, compromise, arrangement or judicial management (an “**Insolvency Event**”);
- 13.1.3** a Synapse User, which is also a participant or member of any trading or clearing and settlement system operated by HKEX or any Relevant Party, (i) breaches the rules of any market or the rules or terms of participation or membership of such system or (ii) a declaration of default by, or suspension or expulsion from participation or membership of such system occurs;
- 13.1.4** a Synapse User ceases to carry the permits, licenses, and/or registrations necessary for its business operation related to its eligibility for or use of Synapse; and
- 13.1.5** a Synapse User defaults, or threatens or proposes to default, in payment of any sum payable, or fails to meet any obligation owed by it, to HKSCC or any Relevant Parties.

14 Modification, Discontinuance and Termination

14.1 HKSCC may, in its sole discretion, temporarily or permanently restrict, suspend or discontinue all or part of Synapse and/or any of the Services (including to restrict each or certain Synapse User’s access to and use of any part of Synapse and/or the Services) in connection with any of the following:

- 14.1.1** to upgrade or modify Synapse, or any related systems or software, and/or the HKEX Website;
- 14.1.2** where HKSCC considers it reasonably necessary for the operation or maintenance of Synapse, or any related systems or software, and/or or the HKEX Website;
- 14.1.3** where HKSCC considers it reasonably necessary for the security, integrity or performance of Synapse, or any related systems or software, and/or or the HKEX Website; or
- 14.1.4** for any other reason HKSCC deems appropriate.

HKSCC and all other Relevant Parties shall not be liable to the Synapse User or any third party for any claims, loss or damage of any kind related to such termination, restriction, or suspension of any or all of Synapse and/or the Services.

- 14.2** HKSCC may terminate or suspend each Synapse User's access to all or part of Synapse with effect immediately as it considers appropriate for any reason including, without limitation, an Event of Default or breach or failure to abide by these Terms, the Synapse User Guide or any other terms or conditions as prescribed by HKSCC from time to time.
- 14.3** If Synapse cannot be accessed by a Synapse User during normal operational hours of Synapse (whether, as announced by HKSCC or due to a technical default, malfunction, or breakdown in Synapse), the Synapse User may use alternative means to provide instructions and information required to proceed with relevant transactions.
- 14.4** A Synapse User may terminate its subscription to Synapse by giving notification to HKSCC in accordance with the procedures as prescribed by HKSCC from time to time.

15 Operational Hours of Synapse

HKSCC may determine the operational hours of Synapse and the time at which the corresponding technical and operational support services are provided in its sole discretion as set out in the Synapse User Guide as supplemented or amended from time to time and made available on the HKEX Website.

16 Force Majeure

- 16.1** HKSCC and the Related Parties shall not be liable for any action taken or for any failure, hindrance or delay in the provision of Synapse, the Services or for any failure to give effect to or delay in giving effect to any requests from a Synapse User if such action, failure, hindrance or delay arises out of causes beyond its control (an “**Event of Force Majeure**”).
- 16.2** Such causes may include, but shall not be limited to, acts of God or the public enemy, acts of a civil or military authority, embargoes, fires, floods, explosions, accidents, pandemics, labour disputes, mechanical breakdowns, computer or system failures or other failures of equipment, failures of or defects in computer or system software, failures caused by any system that interfaces with Synapse, unavailability of or restrictions on any communication media for whatever reason (whether or not such media is used by the Synapse Users), interruptions (whether in whole or in part) of power supplies or other utility or service, any law, decree, regulation, sanctions regime or order of any government, competent authority or any court or tribunal, and any other causes beyond HKSCC's control including, without limitation to the foregoing, any similar causes affecting the Related Parties or HKSCC.

17 General

- 17.1 Amendments:** HKSCC reserves the right to modify and amend these Terms from time to time in its sole discretion, binding upon the Synapse Users and effective upon the publication of such amended Terms on HKEX Website.
- 17.2 Notices:** All notices, requests, demands or other communications from HKSCC to the Synapse User may be given orally or in writing and delivered in person, by post, by email, by electronic

or wire transmission, by telephone, by fax or by any means of computer data transmission based on the information about the contact details of the Synapse User as maintained by HKSCC.

- 17.3 No Assignment:** The rights and obligations of a Synapse User under these Terms may not be assigned or transferred.
- 17.4 No Partnership:** Nothing in these Terms shall be deemed to constitute a partnership between HKSCC and a Synapse User or constitute either party the agent of the other party for any purpose.
- 17.5 Languages:** In the case of any inconsistency between the English and Chinese version of a provision in these Terms or versions of a document available on Synapse, the English version of such Terms or provision shall prevail. In respect of any form or document submitted for and on behalf of the Synapse User, whether the English or Chinese version is used in the process of completing the form or document, the English version (as shown in PDF format) shall be deemed as the final form or document submitted by the Synapse User.
- 17.6 No Waiver:** No failure or delay by HKSCC or the Relevant Parties in exercising any right or remedy pursuant to these Terms shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.
- 17.7 Severability:** If and to the extent that any provision in these Terms is held to be illegal, void, or unenforceable, such provision shall be given no effect and shall be deemed not to be included in these Terms but without invalidating any of the remaining provisions of these Terms, which shall remain in full force and effect.
- 17.8 Survival of Obligations:** The rights and obligations of HKSCC and the Relevant Parties and the Synapse User to these Terms, which, by their nature would continue beyond the termination, cancellation, or expiration of these Terms, shall survive termination, cancellation, or expiration of these Terms.
- 17.9 Third Party Rights:** A person who is not a party to these Terms has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any term of these Terms.
- 17.10 Governing Law:** These Terms shall be governed by and construed in accordance with the laws of Hong Kong.
- 17.11 Dispute resolution:** Any dispute, controversy, difference or claim arising out of or relating to these Terms, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to these Terms shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the notice of arbitration is submitted.
- 17.11.1** The seat of arbitration shall be Hong Kong.
- 17.11.2** The number of arbitrators shall be one to be appointed pursuant to the HKIAC Administered Arbitration Rules.
- 17.11.3** The arbitration proceedings shall be conducted in English.

Appendix - Synapse Fees Schedule

Types of Synapse Fees	Charging Frequency	Synapse user types subject to the Synapse Fees	Amount
Set-up Fee	One-off	Asset Manager, Global Custodian, Local Custodian, Exchange Participant and Clearing Participant	HKD50,000*
Base Fee	Monthly	Asset Manager, Global Custodian, Local Custodian and Clearing Participant connected to Synapse via ISO / API channel**	HKD2,000
Transaction Fee	Monthly	Asset Manager	HKD3 per instruction***

* The one-off “Set-up Fee” will be charged per legal entity onboarding as a Synapse User.

** Where the ISO messaging connectivity channel was elected by a Synapse User, each SWIFT message sent by Synapse to such Synapse User will be charged by SWIFT to such Synapse User. API users will not be subject to SWIFT charges.

*** Only the initiating instructions which Synapse receives from the Asset Manager or from its authorised agent will be charged. Amendment or further processing of such instructions on Synapse will not be subject to an additional charge.

NOTES:

1. The Synapse user types are as prescribed in the Synapse Application Form.
2. The above Synapse Fees are waived until further notice.