

香港聯合交易所有限公司  
(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

## 通告 CIRCULAR

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Subject: SEHK Rule 541 – Dealings with Suspended Exchange Participants

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It has recently come to the attention of the Exchange that certain Exchange Participants had dealt with an Exchange Participant whose Exchange Participantship or right to access the System has been suspended (the “**Suspended Exchange Participant**”). This is in violation of Rule 541 of the Rules of the Exchange (“**SEHK Rules**”), which stipulates that an Exchange Participant should not deal with a Suspended Exchange Participant without permission by the Board or the Chief Executive of the Exchange. An Exchange Participant which fails to comply with this Rule shall be liable to disciplinary action by the Board.

In those incidents, the Suspended Exchange Participant:

- Failed to state its trading suspension status when it sent the clients’ orders to another Exchange Participant for execution (the “**Appointed Exchange Participant**”), and with the knowledge that such Appointed Exchange Participant had not obtained the necessary waiver from the Exchange, causing it to be in breach of SEHK Rule 541.
- Failed to inform its clients regarding its suspension and the detailed arrangement on handling clients’ orders in a timely and proper manner.
- Failed to comply with SEHK Rule 606 which stipulates that a Participant should notify the Exchange of any breach, infringement of or non-compliance with any of the Rules or the Regulations, as defined in SEHK Rules, by itself or any other Participant.

Meanwhile, the Appointed Exchange Participant:

- Failed to identify that the Exchange Participant for which it executed orders was in trading suspension status.
- Failed to apply for the necessary waiver under SEHK Rule 541 from the Exchange before dealing with the Suspended Exchange Participant due to lack of knowledge of the relevant requirements.

The Exchange would like to remind Exchange Participants that:

- Exchange Participants should have appropriate and effective measures in place, and take reasonable steps to ensure that the Exchange Participants they deal with are not in suspension status<sup>1</sup>, unless prior approval has been obtained from the Exchange.
- As is the case of any violation of any rule of HKEX and/or the Exchange, Exchange Participants should report the relevant incident to the Exchange as soon as possible.

The Exchange takes any breaches of rules seriously and may commence disciplinary actions against Participants in accordance with the relevant rules and regulations.

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<sup>1</sup> Suspension of trading is publicly announced through [participant circulars](#) and “[Participant Information Changes \(SEHK\)](#)” on HKEX website. The full list of current Participants and their respective trading status is also available on [HKEX website](#).