



Admission Criteria and Operational Requirements for  
Becoming a Participant of  
Hong Kong Securities Clearing Company Limited

Oct 2019

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# CONTENTS

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## HONG KONG SECURITIES CLEARING COMPANY LIMITED Becoming a HKSCC Participant

	Page
<b>I. Background information .....</b>	<b>3</b>
A. HKEX .....	3
B. CCASS.....	3
C. Services available to a CCASS Participant .....	4
<b>II. Information for potential applicants for HKSCC Participantship .....</b>	<b>5</b>
A. Participantship categories .....	5
Admission criteria	
Financial requirements	
Operational requirements	
B. Mandatory operational requirements .....	9
C. Optional services and their requirements .....	12
D. Other operations-related information .....	14
<b>III. Application procedures .....</b>	<b>15</b>
A. How and where to apply .....	15
B. Participant Agreements.....	15
C. Documents for CCASS operations .....	15
D. Enquiries .....	16
 <b>Appendix –</b>	
Overall schedule and lead-time required for HKSCC Participantship application .....	17
 <b>Glossary .....</b>	<b>18</b>

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## **I. BACKGROUND INFORMATION**

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### **A. HKEX**

Hong Kong Exchanges and Clearing Limited (HKEX) is the holding company of The Stock Exchange of Hong Kong Limited (SEHK), Hong Kong Futures Exchange Limited (HKFE). It owns three clearing houses, namely Hong Kong Securities Clearing Company Limited (HKSCC), HKFE Clearing Corporation Limited (HKCC) and The SEHK Options Clearing House Limited (SECH), and operates two clearing and settlement systems, CCASS and DCASS.

HKEX went public in June 2000 following the integration of the securities and derivatives markets of SEHK and HKFE. As a listed company, answerable to its shareholders, HKEX competes vigorously for opportunities in the region and around the world. It is a market-driven business, operating business-driven markets.

The mission of HKEX is to operate a world-class marketplace for Hong Kong and Mainland China securities and derivatives products. By offering access to international capital markets for issuers and an open, secure, fair, orderly, efficient and transparent marketplace for investors, issuers and intermediaries, HKEX contributes to Hong Kong's status as an international financial centre and the premier capital market for China. By servicing China's substantial long-term demand for capital and exchange services in accordance with international standards and practices, HKEX will further enhance its position as one of the world's pre-eminent exchanges.

### **B. CCASS**

HKSCC owns and operates the Central Clearing and Settlement System (CCASS) and the CCASS Depository for all eligible securities listed on SEHK. HKSCC has a wholly-owned subsidiary, HKSCC Nominees Limited, which acts as the common nominee for the shares held in the CCASS Depository.

HKSCC provides securities clearing and settlement, money settlement, depository and common nominee services. CCASS, a computerised book-entry clearing and settlement system for transactions in securities traded on SEHK, was implemented in June 1992. The clearing operation is based on the immobilisation of share certificates in the CCASS Depository. Exchange Trades are mainly settled on a continuous net settlement (CNS) basis by electronic book entries to Participants' stock accounts in CCASS. Money settlement is effected electronically through the clearing and settlement systems operated by Hong Kong Interbank Clearing Limited.

For more details on the clearing and settlement services of CCASS, please visit [http://www.hkex.com.hk/Services/Clearing/Securities/Overview?sc\\_lang=en](http://www.hkex.com.hk/Services/Clearing/Securities/Overview?sc_lang=en)

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## **C. Services available to a CCASS Participant**

A CCASS Participant enjoys the following services:

- Electronic securities clearing and settlement via book-entry transfer
- Electronic money settlement via Direct Debit or Credit Instruction or Electronic Payment Instruction or CHATS (Clearing House Automated Transfer System) Payment Instruction issued by HKSCC to the Participant's designated bank
- Guaranteed settlement of CNS trades executed by Clearing Participants as HKSCC becomes the central risk taker under CCASS by substituting itself as the universal counter-party to Exchange Trades to be settled under CNS
- Deposit of eligible securities for settlement and safe custody
- Nominee services in respect of the securities held in CCASS, e.g. receive corporate communications and announcements, collect benefit entitlements, exercise shareholders rights such as instructing HKSCC to act on its behalf in the event of voting, subscription, takeover, etc.

## II. INFORMATION FOR POTENTIAL APPLICANTS FOR HKSCC PARTICIPANTSHIP

### A. Participantship categories

Under HKSCC, there are seven categories of Participantship, namely Direct Clearing Participant (DCP), General Clearing Participant (GCP)<sup>1</sup>, Custodian Participant, Stock Lender Participant, Stock Pledgee Participant, Clearing Agency Participant<sup>2</sup> and Investor Participant<sup>3</sup>. The table below summarises the admission criteria / financial requirements / operational requirements of the major categories of participantship.

		Direct Clearing Participant	General Clearing Participant	Custodian Participant	Stock Lender Participant	Stock Pledgee Participant
<b>Admission Criteria and Requirements</b>						
1	General provisions	An applicant for admission as a Participant must demonstrate to HKSCC that it is of good financial standing, has the operational capability to satisfy the requirements of CCASS and is otherwise a fit and proper person to be admitted as a Participant.				
2	Pre-requisite for admission as a Participant	Be an Exchange Participant of the Exchange; and  Be a licensed corporation which is licensed to carry on Type 1 regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).	Be a licensed corporation which is licensed to carry on Type 1 regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong); or  Be a registered institution which is registered to carry on Type 1 regulated activity under the Securities and Futures Ordinance (Chapter 571 of	Be an authorised institution under the Banking Ordinance (Chapter 155 of the laws of Hong Kong); or  Be a trust company registered under the Trustee Ordinance (Chapter 29 of the laws of Hong Kong); or  Be or be deemed to be a licensed corporation	N/A	Be an authorised institution under the Banking Ordinance (Chapter 155 of the laws of Hong Kong) or a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong).

<sup>1</sup> Direct Clearing Participant and General Clearing Participant are collectively known as “Clearing Participant”

<sup>2</sup> Clearing Agency Participantship category is for applicant with an established business in operating a central securities clearing and settlement system and/or a central securities depository system or similar system. Application will be considered on a case-by-case basis.

<sup>3</sup> For Investor Participantship, please refer to [http://www.hkex.com.hk/Services/Settlement-and-Depository/Investor-Account-Services/Admission-Criteria-and-Application-Procedures?sc\\_lang=en](http://www.hkex.com.hk/Services/Settlement-and-Depository/Investor-Account-Services/Admission-Criteria-and-Application-Procedures?sc_lang=en) for its admission criteria and requirements.

		<b>Direct Clearing Participant</b>	<b>General Clearing Participant</b>	<b>Custodian Participant</b>	<b>Stock Lender Participant</b>	<b>Stock Pledgee Participant</b>
			the laws of Hong Kong) have Tier 1 capital under the Banking (Capital) Rules of not less than HK\$390,000,000 or such other level as prescribed by HKSCC from time to time.	which is licensed to carry on Type 1 regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and which is not an Exchange Participant.  Be the Monetary Authority under the Exchange Fund Ordinance (Chapter 66 of the laws of Hong Kong).		
3	Demonstration of business capability to the satisfaction of HKSCC	N/A	The applicant has an established clearing business in securities listed and/or traded on the Exchange or it has the financial and operational capacity to establish and operate a clearing business in securities listed and/or traded on the Exchange.	The applicant has an established custodian business in securities listed on the Exchange or it has the financial and operational capacity to establish and operate a custodian business in securities listed on the Exchange.	The applicant has an established stock lending business in Hong Kong in securities listed on the Exchange or that it has the financial and operational capacity to establish and operate a stock lending business in Hong Kong and has available a sufficient quantity of securities listed on the Exchange for lending.	The applicant has an established business in Hong Kong of lending money against the security of securities listed on the Exchange or otherwise has the financial and operational capacity to establish and operate a business in Hong Kong of lending money against the security of securities listed on the Exchange.
4	Restrictions on CCASS activities	N/A	N/A	No access to clearing and settlement services for Exchange Trades.	No access to clearing and settlement services for Exchange Trades.	No access to clearing and settlement services for Exchange Trades.

		<b>Direct Clearing Participant</b>	<b>General Clearing Participant</b>	<b>Custodian Participant</b>	<b>Stock Lender Participant</b>	<b>Stock Pledgee Participant</b>
				If Eligible Securities are accepted for deposit into the applicant's stock accounts, undertake to provide a form of insurance or other form of assurances acceptable to HKSCC to secure an amount of not less than HK\$100,000,000 for the purpose of securing its liabilities for defective Eligible Securities deposited into CCASS (not applicable for an applicant which is an authorised institution under the Banking Ordinance and which has paidup share capital of not less than HK\$100,000,000 (or its equivalent in a currency freely convertible into Hong Kong dollars)).	Must restrict its transactions in Eligible Securities in CCASS to stock lending transactions and not other transactions.	Deposit of share certificates is not allowed.  Limited withdrawal rights.
5	Execution of Agreement	The applicant has to sign a Participant Agreement which creates the legal contractual relationship between the applicant and HKSCC regarding the applicant's participation in CCASS.				
<b>Financial Requirements</b>						
6	Admission Fee	HK\$50,000 in respect of each Stock Exchange Trading Right held by the	HK\$50,000 or HK\$50,000 in respect of each Stock Exchange Trading Right held by the	HK\$1,000,000	HK\$200,000	HK\$200,000

		<b>Direct Clearing Participant</b>	<b>General Clearing Participant</b>	<b>Custodian Participant</b>	<b>Stock Lender Participant</b>	<b>Stock Pledgee Participant</b>
		applicant.	applicant, whichever is higher.			
7	Contribution to the Guarantee Fund of HKSCC	The amount of the contribution required will be determined by reference to the applicant's share of CNS positions subject to a minimum cash contribution of:  (i) HK\$50,000; or (ii) HK\$50,000 in respect of each Stock Exchange Trading Right held by the applicant.	The amount of the contribution required will be determined by reference to the applicant's share of CNS positions subject to a minimum cash contribution of:  (i) HK\$150,000; or (ii) the aggregate of HK\$50,000 in respect of each Stock Exchange Trading Right held by the applicant and HK\$50,000 in respect of each Non-Clearing Participant (NCP) with whom such General Clearing Participant has entered into a Clearing Agreement, whichever is the higher.	N/A	N/A	N/A
8	Minimum Liquid Capital Requirement	HK\$3,000,000	For licensed corporation, (i) have liquid capital of not less than HK\$300,000,000 or its required liquid capital under the Financial Resources Rules, whichever is the higher; or  (ii) have paid-up share capital of not less than HK\$300,000,000 and have liquid capital of not less	N/A	N/A	N/A



	Direct Clearing Participant	General Clearing Participant	Custodian Participant	Stock Lender Participant	Stock Pledgee Participant
		than HK\$100,000,000 or its required liquid capital under the Financial Resources Rules, whichever is the higher.			
<b>Operational Requirements (Refer to Section II. B for Details)</b>					
9	Designated Bank Account for CCASS Money Settlement				
10	Installation of CCASS Terminal				
11	Appointment of Delegated Administrators and Authorised Users				
12	Appointment of Authorised Signatories				
13	Setup of Stock Segregated Account				
14	Endorsements on Instrument of Transfer (only applicable to Clearing Participants)				
15	Operations & Risk Control Plan				
16	Form W-8BEN-E, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) or any relevant form as applicable				

## B. Mandatory operational requirements

### 1. **Designated Bank Account for CCASS Money Settlement**

For effecting CCASS money settlement, each Participant of CCASS must maintain a general purpose Designated Bank Account, i.e. a Hong Kong Dollar Current Account or other account approved by HKSCC from time to time, in the Participant's own name with a Designated Bank. A Participant must select its Designated Bank from [http://www.hkex.com.hk/Services/Clearing/Securities/Getting-Started/Setting-up-of-bank-accounts-with-HKSCC-Designated-Banks?sc\\_lang=en](http://www.hkex.com.hk/Services/Clearing/Securities/Getting-Started/Setting-up-of-bank-accounts-with-HKSCC-Designated-Banks?sc_lang=en) issued by HKSCC from time to time and obtain the Designated Bank's prior written approval for its use of the Designated Bank Account for CCASS money settlement.

CCASS money settlement between a Participant and HKSCC, or between a Participant and other Participants, will be executed by debits and credits to the Designated Bank Account.

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A Participant must execute authorisations to enable the Designated Bank to accept electronic instructions from HKSCC to credit or debit the account, including making payment to HKSCC, and to comply with the requirements of HKSCC for CCASS money settlement purposes.

*Lead-time required*

HKSCC will send the originally signed authorisation forms to the applicant's Designated Bank for setting up the system linkage for effecting CCASS money settlement. The whole process will take about three to four weeks to complete.

## **2. Setup of CHATS Payment Instruction (CPI) for Settlement of Intra-day Marks / Margin and Intra-day Mainland Settlement Deposit (MSTD)**

On each Business Day, CCASS Clearing Participants may be required to pay Intra-day Marks / Margin and Intra-day MSTD by the prescribed payment deadline. The Participant has to give HKSCC an one-time standing instruction to authorize HKSCC to collect the Intra-day Marks / Margin and Intra-day MSTD from its Designated Bank.

Provided that the Participant has set up the Clearing House Automated Transfer System (CHATS) Payment Authorisation with its Designated Bank Account for bank accounts denominated in HKD and or other eligible currencies, HKSCC will generate CHATS Payment Instructions (CPI) on its behalf to its Designated Bank whenever it is required to pay Intra-day Marks / Margin and Intra-day MSTD.

HKSCC reserves the right to collect Intra-day Marks / Margin and Intra-day MSTD in any other manner as determined by HKSCC from time to time.

## **3. Installation of CCASS Terminal**

Each Participant or its Settlement Agent is required to be directly linked to CCASS via dedicated data communication links through CCASS Terminal to the host computer of HKSCC at the Participant's office premises or its Settlement Agent's office premises located in Hong Kong or in a foreign jurisdiction.

Each Participant or its Settlement Agent may also be directly linked to CCASS via dedicated data communication links through Participant Gateway to the host computer of HKSCC at the Participant's office premises or its Settlement Agent's office premises located in Hong Kong.

The technical requirements for interface with the CCASS host computer of HKSCC are contained in the CCASS Terminal User Guide and Frequently Asked Questions (FAQ) can be found via [https://www.hkex.com.hk/Global/Exchange/FAQ/Securities-Market/Clearing-and-Settlement/CCASS-3?sc\\_lang=en&CCASS 3](https://www.hkex.com.hk/Global/Exchange/FAQ/Securities-Market/Clearing-and-Settlement/CCASS-3?sc_lang=en&CCASS 3)

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Participants should contact the Accredited Vendors directly to apply for line installation and notify HKSCC the details about dedicated data communication links upon submission of prescribed application / order forms to the Accredited Vendors.

Participants are responsible for obtaining their own personal computers, or PCs, and printers. Participants are also responsible for all costs (maintenance or otherwise) relating to their CCASS Terminals, Participant Gateways, printers, data communication links and related peripherals, as well as for all costs (maintenance or otherwise) relating to the required system software.

Participant requires to have set(s) of smartcard and smartcard reader (to be installed to the CCASS Terminals) for CCASS access and security control purposes. Acquisition of one or more smartcard and smartcard reader will be at the expense of the Participant. A Participant may request CCASS Terminal Commissioning Services at its own cost.

#### *Lead-time required*

The lead-time for service delivery by Accredited Vendors is normally six weeks subject to the arrangement between Participants and the Accredited Vendors.

#### **4. Appointment of Delegated Administrators and Authorised Users**

Each Participant must appoint its own administrators (Delegated Administrators) to establish or cancel, via CCASS Terminal, the access of its Authorised Users to CCASS. Only persons approved as the Participant's Authorised Users are granted access to CCASS via CCASS Terminals.

A Participant will need to apply in the prescribed manner to HKSCC for smartcards for its Delegated Administrators and Authorised Users for access control purposes.

#### **5. Appointment of Authorised Signatories**

The list of Authorised Signatories with Specimen Signatures contains the names and specimen signatures of the Authorised Signatories appointed by the Board of Directors of or person(s) with equivalent authority from the applicant. In the event of the applicant's admission to CCASS, the Authorised Signatories will have the authority to give written instructions to HKSCC in connection with any matters relating to the applicant's participation and operations in CCASS.

#### **6. Setup of Stock Segregated Account**

HKSCC provides two types of stock accounts in CCASS, the Stock Clearing Account and Stock Segregated Accounts. The Stock Clearing Account (Account 01) of each Participant will be the main Stock Account in CCASS used for settlement purposes (i.e. to make or take delivery of Eligible Securities). Stock Segregated Accounts are provided to Participants for their internal record keeping. The first Stock Segregated Account (Account 02) will be designated as Entitlement Account for distributing scrip entitlements to Participants and for effecting adjustments in benefit entitlements.

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The Stock Collateral Control Account (Account 20) designated to each Clearing Participant will be used to record the Collateral Securities that have been transferred from the Stock Accounts of that Participant to its CCMS Collateral Account(s).

**7. Endorsements on Instrument of Transfer (only applicable to Clearing Participants)**

To expedite the share re-registration process and alleviate inconvenience to CCASS Participants, HKSCC has adopted a set of arrangements which have been accepted by the Inland Revenue Department (IRD) on condition that HKSCC obtain authorisation from ALL CCASS Clearing Participants to HKSCC to cause endorsements to be made on transfer deeds as the agent of selling brokers.

**8. Operations and Risk Control Plan**

An applicant who applies to become a Clearing Participant must be able to demonstrate that it has an established clearing business in securities listed and/or traded on the Stock Exchange or it has the financial and operational capacity to establish and operate a clearing business in securities listed and/or traded on the Stock Exchange. It also needs to demonstrate its business capabilities in clearing operations including appropriate internal control measures and a robust risk management framework. A Clearing Participant should submit an Operations & Risk Control Plan to HKSCC at the time of application. Guidelines for Contents of Operations & Risk Control Plan are enclosed in the Attachment 2 of Explanatory Notes for Application for Participantship and Trading Right (EN1). [http://www.hkex.com.hk/-/media/HKEX-Market/Services/Rules-and-Forms-and-Fees/Forms/Securities-\(Hong-Kong\)/Trading/Participantship/Participantship---Admission/EN1.pdf?la=en](http://www.hkex.com.hk/-/media/HKEX-Market/Services/Rules-and-Forms-and-Fees/Forms/Securities-(Hong-Kong)/Trading/Participantship/Participantship---Admission/EN1.pdf?la=en)

**9. FATCA Documentation**

In order to comply with FATCA requirements, each Participant must submit a completed Form W-8BEN-E or any relevant form as applicable to HKSCC. The instructions for Form W-8BEN-E can be found via <http://www.irs.gov/pub/irs-pdf/iw8bene.pdf>.

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## C. Optional services and their requirements

### 1. **Sharing of CCASS Terminal**

HKSCC allows Participants belonging to the same company group or a Participant and its Settlement Agent to share among themselves the use of data lines to access CCASS, subject to HKSCC approval. A Participant may seek approval by applying in the prescribed manner to HKSCC.

### 2. **Designated Bank Account denominated in Foreign Currencies**

Each Participant which wishes to settle money obligations in CCASS in an Eligible Currency other than Hong Kong dollars must maintain a Designated Bank Account in its own name and denominated in that Eligible Currency for the settlement of money obligations in CCASS. For the time being, the Eligible Currencies other than Hong Kong dollars are United States dollars and Renminbi. A Participant must select its Designated Bank from the List of Designated Banks under [http://www.hkex.com.hk/Services/Clearing/Securities/Getting-Started/Setting-up-of-bank-accounts-with-HKSCC-Designated-Banks?sc\\_lang=en](http://www.hkex.com.hk/Services/Clearing/Securities/Getting-Started/Setting-up-of-bank-accounts-with-HKSCC-Designated-Banks?sc_lang=en) issued by HKSCC from time to time. Separate authorisation forms will be provided upon request.

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### 3. **Appointment of Settlement Agent**

A Settlement Agent is a service provider appointed by a CCASS Participant, excluding Investor Participants, to access CCASS and conduct settlement and other activities in CCASS on behalf of the Participant without changing the Participant's principal obligations vis-à-vis HKSCC.

HKSCC may, on a Participant's application, approve the appointment of a Settlement Agent. For more details, please refer to the FAQ under [http://www.hkex.com.hk/Global/Exchange/FAQ/Securities-Market/Clearing-and-Settlement/Settlement-Agent?sc\\_lang=en](http://www.hkex.com.hk/Global/Exchange/FAQ/Securities-Market/Clearing-and-Settlement/Settlement-Agent?sc_lang=en). Participants who are interested in appointing a Settlement Agent are required to submit a request in writing to Clearing Administration & Services, Clearing Operations of Hong Kong Securities Clearing Company Limited by post. The mailing address is 30/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong.

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#### **4. Third Party Clearing Services**

Third Party Clearing enables easier access to the cash market through segregation of trading and clearing participants. An Exchange Participant (EP) who trades on the SEHK will have the option to choose to become a DCP in CCASS or outsource its clearing functions to GCP(s) who provides clearing services to Exchange Participants. Under TPC, an Exchange Participant without a clearing participant in CCASS is referenced as a Non-Clearing Participant (NCP).

An EP appointing a GCP will have to enter into a Clearing Agreement with its GCP. The GCP must ensure that the Clearing Agreement does not contain any provision which is inconsistent with the General Rules of CCASS and has terms and conditions to facilitate the performance of, and be consistent with, the GCP's obligations under the General Rules of CCASS. The Clearing Agreement shall incorporate any additional conditions prescribed by HKSCC from time to time. A GCP shall be bound by and comply strictly with the terms of each Clearing Agreement to which it is or has been a party, to the extent that those Clearing Agreements are consistent with the General Rules of CCASS. It should be noted that an NCP is not allowed to trade on the Stock Exchange if it does not have a valid, binding and effective Clearing Agreement with a GCP. GCP should submit Form 11 – Notification of Execution of Clearing Agreement and Change of Clearing Relationship for HKSCC to effect the clearing relationship between GCP and NCP in CCASS.

Please refer to the TPC section under [http://www.hkex.com.hk/Services/Clearing/Securities/Getting-Started/Third-Party-Clearing-by-HKSCC-General-Clearing-Participants?sc\\_lang=en](http://www.hkex.com.hk/Services/Clearing/Securities/Getting-Started/Third-Party-Clearing-by-HKSCC-General-Clearing-Participants?sc_lang=en) for more details.

#### **5. Access to CCASS from a Foreign Jurisdiction**

A Participant that wishes to (i) install a CCASS Terminal at its or its Settlement Agent's office premises located in a foreign jurisdiction or (ii) to access and operate CCASS from a foreign jurisdiction must obtain HKSCC's prior written approval to do so. Where approval is granted, such installation shall be subject to the General Rules of CCASS and such conditions as prescribed by HKSCC from time to time. For technical details, please refer to the FAQ under [http://www.hkex.com.hk/Global/Exchange/FAQ/Securities-Market/Clearing-and-Settlement/CCASS-3?sc\\_lang=en&CCASS%203](http://www.hkex.com.hk/Global/Exchange/FAQ/Securities-Market/Clearing-and-Settlement/CCASS-3?sc_lang=en&CCASS%203). Participants wishing to access CCASS from a foreign jurisdiction are required to submit the completed application form to Clearing Administration & Services, Clearing Operations of Hong Kong Securities Clearing Company Limited by post. The mailing address is 30/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong.

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## D. Other operations-related information

The applicant should be aware that the General Rules of CCASS and the CCASS Operational Procedures will be binding on it upon admission as a CCASS Participant.

Following are some useful links for the applicant's easy reference:

General Rules of CCASS

<http://www.hkex.com.hk/eng/rulesreg/clearrules/ccassgr/ccassrule.htm>

CCASS Operational Procedures

<http://www.hkex.com.hk/eng/rulesreg/clearrules/ccassop/ccassoptpcd3.htm>

CCASS Tariffs

<http://www.hkex.com.hk/-/media/HKEX-Market/Services/Rules-and-Forms-and-Fees/Rules/HKSCC/Operational-Procedures/SEC21.pdf?la=en>

CCASS Training

<http://www.hkex.com.hk/eng/market/clar/secclr/ccasstrain.htm>

### III. APPLICATION PROCEDURES

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#### A. How and where to apply

The application form is obtainable on the HKEX website. Interested parties are required to:

1. Read carefully the “Explanatory Notes for Application for Participantship and Trading Right”

[http://www.hkex.com.hk/-/media/HKEX-Market/Services/Rules-and-Forms-and-Fees/Forms/Securities-\(Hong-Kong\)/Trading/Participantship/Participantship---Admission/EN1.pdf?la=en](http://www.hkex.com.hk/-/media/HKEX-Market/Services/Rules-and-Forms-and-Fees/Forms/Securities-(Hong-Kong)/Trading/Participantship/Participantship---Admission/EN1.pdf?la=en)

2. Submit the standard “Application for Participantship and Trading Right”

[http://www.hkex.com.hk/eng/market/hkex\\_part/criteria/partapp/documents/1.pdf](http://www.hkex.com.hk/eng/market/hkex_part/criteria/partapp/documents/1.pdf)

Other application documents can be downloaded from the HKEX website: [http://www.hkex.com.hk/Services/Rules-and-Forms-and-Fees/Forms/Securities-\(Hong-Kong\)/Clearing/Participantship-Membership?sc\\_lang=en](http://www.hkex.com.hk/Services/Rules-and-Forms-and-Fees/Forms/Securities-(Hong-Kong)/Clearing/Participantship-Membership?sc_lang=en) . Please submit the completed application and relevant document(s) to Participant Services, Cash Trading of HKEX.

An Overall schedule and lead-time required for HKSCC Participantship application is summarised in the attached Appendix.

#### B. Participant Agreement (to be signed in duplicate)

The Participant Agreement provides that at the time of its application to HKSCC to become a Participant in CCASS, the applicant has obtained, read and understood the “General Rules of CCASS” and the “CCASS Operational Procedures” (collectively referred to as “CCASS Rules”). The applicant should be aware that the CCASS Rules would be binding on it upon admission as a CCASS Participant. A copy of the CCASS Rules is available at the Sales Counter of HKEX at a prescribed fee or on the HKEX website.



## C. Documents for CCASS operations

	Name of Form	Reference Section
1	<p>Authorisation Forms for Arrangement of Designated Bank Account</p> <p>a. Direct Debit Authorisation and Authorisation to Disclose Information Form (for effecting electronic payment to HKSCC)</p> <p>b. Debit Authorisation for Electronic Payment Instruction and Authorisation to Disclose Information Form (for effecting electronic payment to other Participants of CCASS)</p> <p>c. Debit Authorisation for Clearing House Automated Transfer System (CHATS) Payment Instruction and Authorisation to Disclose Information Form (only applicable to applicants which will use the Realtime Delivery versus Payment (RDP) method to effect electronic payment to HKSCC or other Participants)</p>	II.B.1
	Name of Form	Reference Section
2	Standing Instructions for Settlement of Intra-day Marks / Margin and Intra-day Mainland Settlement Deposit (MSTD) by CHATS Payment Instruction (CPI)	II.B.2
3	<p>Installation of CCASS Terminal</p> <p>a. Application for Installation of CCASS Terminals</p> <p>b. CCASS / CCMS SDNet Line Service Notification Form for HKSCC / HKCC / SEOCH Participants / HKSCC Designated Banks</p>	II.B.3
	Name of Form	Reference Section
4	<p>Appointment of Delegated Administrators and Authorised Users</p> <p>a. User Profile for Delegated Administrator for New CCASS Participant</p> <p>b. Smartcard Request Form for New CCASS Participant</p>	II.B.4
5	List of Authorised Signatories with Specimen Signatures	II.B.5
6	Stock Segregated Account Maintenance Form for New Participant	II.B.6
7	Authorisation to HKSCC on Causing Endorsements to be Made on Instruments of Transfer as Selling Broker's Agent (only applicable to Clearing Participants)	II.B.7
8	Operations & Risk Control Plan	II.B.8
9	Form W-8BEN-E, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) or any relevant form as applicable	II.B.9
10	Sharing of CCASS / CCMS Terminal to access CCASS / CCMS ( <i>optional and subject to approval by HKSCC</i> )	II.C.1
11	Form 11 - Notification of Execution of Clearing Agreement and Change of Clearing Relationship (only applicable to Third Party Clearing services)	II.C.4

## D. Enquiries

CCASS Hotline: 2979 7111

Hotline Service Hour: 9:00 a.m. to 6:00 p.m. (Monday to Friday)

## Appendix

### Hong Kong Securities Clearing Company Limited

#### Overall schedule and lead-time required for HKSCC Participanship application

	Major Events/Processes	Lead-time Required
1	Submit the standard "Application for Participanship and Trading Right" (Form 1) to Participant Services, Cash Trading of HKEX	The lead-time and processing schedule are subject to completeness of application documents submitted and internal approval process for HKSCC Participanship application.
2	Submit application documents for Clearing Participanship to HKEX for vetting and approval	
<b>Processing of Application Documents</b>		
3	Participant Agreement signed	1 – 2 weeks
4	Arrangement of Designated Bank Account	3 – 4 weeks
5	Installation of CCASS Terminal	6 weeks
6	Setup of CHATS Payment Instruction (CPI) for Settlement of Intra-day Marks / Margin and Intra-day Mainland Settlement Deposit (MSTD)	1 – 2 weeks
7	Appointment of Authorised Signatories	1 – 2 weeks
8	Setup of Delegated Administrators and Authorised Users	1 – 2 weeks
9	Setup of Stock Segregated Accounts	1 – 2 weeks
10	Authorisation to HKSCC on Causing Endorsements to be Made on Instruments of Transfer as Selling Broker's Agent (for Clearing Participant only)	1 – 2 weeks
11	Form W-8BEN-E, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) or any relevant form as applicable	1 – 2 weeks

#### Remarks:

The overall schedule is for reference only.

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## Remarks

This document is for information only and in the event of inconsistencies and/or conflicts between this document and the General Rules of CCASS, the latter shall prevail. General information on HKSCC Participanship is also available from the HKEX website at <http://www.hkex.com.hk>.

## Glossary

CCASS	Central Clearing and Settlement System
CCMS	Common Collateral Management System
CNS	Continuous Net Settlement
DCASS	Derivatives Clearing and Settlement System
HKCC	HKFE Clearing Corporation Limited
HKEX	Hong Kong Exchanges and Clearing Limited
HKFE or the Futures Exchange	Hong Kong Futures Exchange Limited
HKSCC	Hong Kong Securities Clearing Company Limited
SEHK or the Stock Exchange or the Exchange	The Stock Exchange of Hong Kong Limited
SEOCH	The SEHK Options Clearing House Limited