

Rules and Procedures of HKFE Clearing Corporation Limited

CHAPTER III

REGISTRATION, CLEARING, RISK

- 308A. (a) Unless otherwise specified in the Exchange Rules, these Rules or the Clearing House Procedures, the registration of a Contract validly executed through HKATS shall occur immediately upon the recording of such Contract in accordance with the Exchange Rules. The parties to such registration will be determined as follows:
- (i) where the original parties to a Contract are General Clearing Participants or Clearing Participants, that Contract will be registered in the respective names of the relevant HKCC Participants; or
 - (ii) where an original party to a Contract is a Non-Clearing Participant, that Contract will be registered in the name of the General Clearing Participant with which that Non-Clearing Participant has executed a Clearing Agreement and the General Clearing Participant will be treated for all purposes as the party to the Contract for registration and novation purposes.
- (b) The registration of a Contract executed during the Pre-Market Opening Period of a Market shall not occur until the opening of the Market.
- (c) The registration of a Block Trade executed through HKATS shall not occur until the Clearing House is satisfied that the Block Trade recorded in the Transaction Register of HKATS is a valid Block Trade and all criteria applicable to the Block Trade, including but not limited to the deposit of any Special Block Trade Margin, have been satisfied. Unless an HKCC Participant receives any oral or written notice from the Exchange or the Clearing House that a Block Trade is not valid or not all criteria have been satisfied or the Block Trade shall not be registered for any other reason, the Block Trade shall be deemed to have been registered with the Clearing House upon the recording of such Block Trade in the Transaction Register of HKATS. The Exchange will endeavour to notify the HKCC Participant of any issue concerning any criteria set forth in Exchange Rule 815A within 30 minutes of the execution by the HKCC Participant of the Block Trade.
- (d) Notwithstanding any provisions to the contrary in the Exchange Rules, these Rules or the Clearing House Procedures, the Clearing House shall have absolute discretion to determine the acceptance or refusal for registering and clearing any Contract executed through HKATS. The Clearing House shall give notice to the Exchange and to the relevant HKCC Participants of any decision to refuse to register and clear any Contract. Any such refusal by the Clearing House shall not affect any then existing open positions in the relevant Exchange Contract, which shall continue to be subject to these Rules and the Clearing House Procedures.