

Rules and Procedures of HKFE Clearing Corporation Limited

**CHAPTER I**

**INTERPRETATION**

Definitions

101. In these Rules, the definitions contained in the Exchange Rules (as hereinafter defined) shall where the context permits be incorporated herein by reference and the following expressions shall, unless the context otherwise requires, bear the following meanings:-

~~“Memorandum”~~ means ~~the Memorandum of Association of the Clearing House in force from time to time;~~

**CHAPTER V**

**LIMITS AND DEFAULTS**

Disciplinary action against an HKCC Participant

520. Subject to the provisions of Rules 509 and 510, allegations of Rule violations shall be investigated by the Compliance Department and shall be adjudicated by the Designated Compliance Department Staff and the Disciplinary Committee, and the exercise of disciplinary powers herein shall where appropriate be dealt with, in accordance with the Rules set out in this Chapter V and such other rules and procedures as may from time to time be prescribed by the Board ~~pursuant to the Memorandum.~~

**CLEARING HOUSE PROCEDURES FOR FUTURES/OPTIONS CONTRACTS  
TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE  
("HKATS")**

**Chapter 2 Clearing and Settlement Procedures**

*2.6.3 Approved Bank Guarantee*

Notwithstanding the foregoing, the Clearing House will not accept any guarantee issued by any licensed bank which holds or controls (whether directly or indirectly) 20 percent or more of the issued shares ~~capital~~ or voting power of an HKCC Participant or which, in the Clearing House's absolute opinion, is closely associated with or related to the HKCC Participant.