

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:-

“Authorized Person” has the same meaning as in the Exchange Rules;

“HKATS Risk Functions” has the same meaning as in the Exchange Rules;

“Prescribed Risk Controls” has the same meaning as in the Exchange Rules;

CHAPTER II

HKCC PARTICIPANTSHIP

Continuing obligations of HKCC Participants

214B. (a) Every HKCC Participant must set Prescribed Risk Controls for itself (as Exchange Participant) and every General Clearing Participant must set Prescribed Risk Controls for each Exchange Participant for whom it clears, including its or such Exchange Participant’s Authorized Persons and any other person who is allowed to trade through HKATS via its or such Exchange Participant’s connection or any connection granted by the Exchange through it or such Exchange Participant.

(b) Every HKCC Participant must provide the Clearing House with such information as it may request from time to time to enable the Clearing House to assess whether the Prescribed Risk Controls set by the HKCC Participant are reasonable.

- (c) Every HKCC Participant must notify the Clearing House forthwith upon the execution by any of its Authorized Persons of an order blocking or cancellation function using the HKATS Risk Functions or any other function as prescribed by the Clearing House from time to time.
- (d) Every HKCC Participant is responsible for the Prescribed Risk Controls set by it. The Clearing House, the Exchange and a recognized exchange controller of the Clearing House shall in no case be liable for the sufficiency or effectiveness of the Prescribed Risk Controls set by an HKCC Participant or any failure or unavailability of, or error or defect in the HKATS Risk Functions, the HKCC Participant's connection to HKATS or any Prescribed Risk Controls-related reports, warnings or notifications that may be provided to the HKCC Participant by the Clearing House.
- (e) Every HKCC Participant agrees to use the HKATS Risk Functions for the purpose of establishing, monitoring and implementing Prescribed Risk Controls only and not for any other purpose. Every HKCC Participant shall ensure that only its Authorized Person shall gain access to HKATS through the HKATS Risk Functions.