

Rules and Procedures of HKFE Clearing Corporation Limited

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CHAPTER VI

CASH SETTLEMENT, DELIVERY AND EXCHANGE OF FUTURES

Cash settlement and delivery governed by Exchange Rules, these Rules and the Clearing House Procedures

602. The obligations of HKCC Participants to make cash payment under a Cash Settled Contract or make and/or take delivery under a Physical Delivery Contract and the timing of the foregoing shall be governed by the Exchange Rules, these Rules and the Clearing House Procedures.

Rights of the Clearing House against an HKCC Participant under a Cash Settled Contract

602A. In addition to any other rights the Clearing House may have under these Rules, where the Clearing House has an obligation to make payment to an HKCC Participant under a Cash Settled Contract in its Settlement Currency, notwithstanding that the Settlement Currency may be available, the Clearing House may in lieu of making payment in that Settlement Currency make payment to the HKCC Participant concerned, in full or in part, in such other currency or currencies and at such conversion rate(s) as the Clearing House may in its absolute discretion determine to be fair and reasonable having regard to all the circumstances of the case. The Clearing House shall only exercise its powers under this Rule in circumstances when the Clearing House considers in its reasonable opinion that the Settlement Currency is not freely available or convertible in the market.

Rights of the Clearing House against an HKCC Participant under a Physical Delivery Contract

611. In addition to any other rights the Clearing House may have under these Rules:

- (b) where the Clearing House has an obligation to make payment to the selling HKCC Participant under a Physical Delivery Contract in its Settlement Currency, notwithstanding that the Settlement Currency may be available, the Clearing House may in lieu of making payment in that Settlement Currency make payment to the selling HKCC Participant concerned, in full or in part, in such other currency or currencies and at such conversion rate(s) as the Clearing House may in its absolute discretion determine to be fair and reasonable having regard to all the circumstances of the case. The Clearing House shall only exercise its powers under this Rule in circumstances when the Clearing House considers in its reasonable opinion that the Settlement Currency is not freely available or convertible in the market.

APPENDIX A

Fees

Description	Amount¹
<i>Settlement Fees (Futures) and Exercise Fees (Options)</i>	
<u>Metal products</u>	
Gold Futures	USD1.30/Lot
London Aluminium Mini Futures	RMB3.00/Lot
London Zinc Mini Futures	RMB3.00/Lot
London Copper Mini Futures	RMB5.00/Lot

APPENDIX B

T+1 Session Cutoff Time

Products	Time
<u>Metal products</u>	
London Aluminium Mini Futures	1:45 a.m.
London Zinc Mini Futures	1:45 a.m.
London Copper Mini Futures	1:45 a.m.