
CHAPTER 17

CONTINUING OBLIGATIONS OF PARTICIPANTS

1701. Further conditions

Unless otherwise waived by HKSCC, a Participant shall continue to comply with any conditions of admission imposed by HKSCC and such further conditions as may be imposed by HKSCC from time to time.

1702. Further assurances

HKSCC shall be entitled from time to time to require Participants to provide on demand assurances or additional assurances in such form, to such extent and in such manner as is determined by HKSCC to be appropriate by reference to, inter alia, the level of exposure of such Participants to HKSCC and such other matters as HKSCC shall consider relevant.

A Participant providing assurances to HKSCC, where applicable, represents and warrants in favour of HKSCC that it has title and authority to provide such assurances to HKSCC, free from all liens, charges, encumbrances, equities and all other third party rights of any nature whatsoever.

HKSCC may apply all or any of the assurances (including all rights and entitlements thereto, if any) at any time without prior notice to the Participant in or towards satisfaction of the obligations and liabilities (actual or contingent) of such Participant to HKSCC.

A Participant shall not create or permit to subsist any mortgage, charge or other encumbrance over all or any of the assurances. The assurances shall be in addition to and independent of any security which HKSCC may at any time hold for the obligations and liabilities of such Participants.

In respect of any sums received by HKSCC as assurances from a Participant, the only obligation of HKSCC to such Participant shall be to pay such Participant an amount equal to the balance after satisfaction of all obligations and liabilities (actual or contingent) of such Participant to HKSCC.

1703. Other responsibilities

Each Participant undertakes that:-

- (i) it will comply with any law, decree, rule, regulation, or order of any government, regulatory authority, competent authority, court or tribunal anywhere in the world, applicable to it or to its status, the conduct of its business, the performance of its obligations as a Participant or its participation in CCASS, including, for the avoidance of doubt, all applicable laws, decrees, rules, regulations, and orders of any government, regulatory authority, competent authority, court or tribunal relating to the prevention of bribery, money laundering, tax evasion, financial crimes and terrorist financing;

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- (ii) it will comply with the Rules and with any orders, directions or practice notes from time to time issued or prescribed by HKSCC in respect of the services and facilities of CCASS, whether of a temporary or permanent nature;
 - (iii) it will notify HKSCC of any change in the details supplied to HKSCC at the time of admission and thereafter, including but not limited to anything relating to such Participant, its directors or employees which would render inaccurate, incomplete or superseded a statement or information previously furnished by such Participant to HKSCC in connection with either (a) such Participant's application for admission to be a Participant or (b) the status of such Participant under the Tax Information Exchange Framework, the documentation previously furnished by such Participant on such status or the meeting by HKSCC under clause (vii) of any obligations relating to the Tax Information Exchange Framework;
 - (iv) it will notify HKSCC forthwith upon it becoming aware of the presentation of any petition for its bankruptcy or winding-up or of any winding-up or bankruptcy order made against it, the convening of any meeting to consider a resolution for its voluntary winding-up or the passing of such a resolution, the appointment or purported appointment of a receiver in respect of any of its property, any change in its financial conditions which may lead to its bankruptcy, winding-up or the appointment of a receiver in respect of its property, or any other change in its circumstances material to its participation in CCASS;
 - (v) it will keep records in sufficient detail of its use of any of the services and facilities of CCASS and upon HKSCC's request, make available for inspection by HKSCC all such records and in the case of Participants other than Investor Participants, allow HKSCC, during normal office hours, to enter its premises where such records are kept and inspect such records;
 - (vi) it (which does not include an Investor Participant) will provide HKSCC with any information requested by an exchange, clearing house, regulatory authority or an organization (whether within or outside Hong Kong) with which HKEX, HKSCC or the Exchange has entered into an information sharing arrangement or agreement;
 - (vii) it will provide HKSCC with sufficient information so as to enable HKSCC to determine whether any payments to be made by HKSCC under these Rules are withholdable payments pursuant to the Tax Information Exchange Framework and to enable HKSCC to meet any applicable obligations relating to the Tax Information Exchange Framework; and
 - (viii) it (which does not include an Investor Participant) will provide to HKSCC:
 - (a) as soon as reasonably practicable subsequent to any reorganisation of its corporate group, an updated group organisation chart;
 - (b) on an annual basis, a list of each of its direct and indirect shareholders holding 10% or more of the share capital or voting rights of the Participant;
 - (c) as soon as reasonably practicable following a change (direct or indirect) of 10%

or more in the share capital or voting rights of the Participant (including any change in the interest of an existing shareholder who holds an interest (direct or indirect) of 10% or more in the share capital or voting rights of the Participant and any new shareholder acquiring an interest (direct or indirect) of 10% or more in the share capital or voting rights of the Participant), the relevant information setting out such change; and

- (d) within the time frame specified by HKSCC, such information as HKSCC may request from time to time including changes to its financial condition.

1704. GCPs which are registered institutions

Each GCP which is a registered institution under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) shall notify HKSCC in writing without delay providing full particulars known to it of:

- (i) any failure to maintain Tier 1 capital in an amount not less than that set out in Rule 303;
- (ii) a decrease in Tier 1 capital by more than 10% from the amount of Tier 1 capital shown on its most recent financial information as provided to HKSCC pursuant to Section 19.2.3 of the Operational Procedures;
- (iii) any events or matters which relate to its clearing activities and exposure to general and financial risks as from time to time specified in these Rules or as HKSCC may from time to time specify or notify to GCPs;
- (iv) any material breach, infringement of or non-compliance with any provisions of these Rules, or where it has reason to suspect any such breach, infringement or non-compliance whether by itself, or any other persons acting on its behalf; and
- (v) within the time frame specified by HKSCC, submit to HKSCC such statements, books, records, accounts, other documents or information which relate to its clearing activities or its exposure to general and financial risks as HKSCC may reasonably demand, and shall promptly respond to all queries from HKSCC.