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## CHAPTER 4

### TRANSACTIONS BY PARTICIPANTS

#### 401. Instructions by Participants

All instructions and communications to HKSCC by, with the authority of, on behalf of and/or for the account of Participants shall be given in such manner and form as may be prescribed by HKSCC from time to time.

HKSCC shall be entitled to accept and rely on any instruction or communication given or purporting to be given to it by, with the authority of, on behalf of or for the account of a Participant, whether or not in strict compliance with the prescribed manner or form or any applicable limitation on authority of, which is understood or believed by HKSCC in good faith to have been given to it by, with the authority of, on behalf of or for the account of such Participant.

HKSCC shall have no obligation to act on any instruction or communication given or purported to be given by, with the authority of, on behalf of or for the account of a Participant if such instruction does not, in the determination of HKSCC, contain sufficient details for HKSCC to act upon it.

#### 402. Participants to act as principals

So far as the rights and liabilities between HKSCC and each Participant are concerned, a Participant using any of the services of HKSCC, whether by the Participant itself or through a person acting or purported to be acting with the authority of, on behalf of and/or for the account of the Participant, shall be treated as acting as principal, and not as agent, and shall be liable to HKSCC as such.

In rendering its services, HKSCC shall be under no obligation to recognize any right or interest which any person, including SSA Statement Recipients and NCPs other than a Participant may have or claim to have in relation to all matters concerning a System or an Appointed Depository (including, without limitation, Eligible Securities deposited into CCASS or held by an Appointed Depository and transactions to be settled thereunder) and the operation thereof by HKSCC, provided that HKSCC may recognize any right or interest which a Recognized Clearing House may have or claim to have in relation to Eligible Securities deposited into CCASS by or for a Participant under or in connection with any charge or security interest granted in favour of the Recognized Clearing House by the Participant in respect of such Eligible Securities.

#### 403. Instructions in violation of laws etc.

Notwithstanding anything to the contrary in the Rules, HKSCC shall not be bound to effect any transaction or take any other action upon the instructions of a Participant if it would violate any applicable law, decree, court order, regulation, sanctions regime or order of any government or other competent authority or if HKSCC, in its absolute discretion, determines that it will not be in the interests of HKSCC or Participants to do so.