

GENERAL RULES OF CCASS

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CHAPTER 1

INTERPRETATION

101. Definitions

When used herein, the following expressions shall, unless the context otherwise requires, bear the following meanings:

“Banking (Capital) Rules” means the Banking (Capital) Rules made by the HKMA under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong);

“Default Information” means any information provided by HKSCC to a Receiving Clearing Participant relating to a Defaulter including any information given relating to any action carried out pursuant to Rule 3702;

“Permitted Purpose” means any purpose, the objective of which is to allow the Receiving Clearing Participant to assist HKSCC in any actions HKSCC chooses to take pursuant to Rule 3702;

“Receiving Clearing Participant” has the meaning as defined in Rule 3702A(i);

“Receiving Clearing Participant Affiliates” means, in relation to a Receiving Clearing Participant, any subsidiary or holding company, or a subsidiary of a holding company of that Receiving Clearing Participant. For the purposes of this definition, the terms "holding company" and "subsidiary" shall bear the same respective meanings herein as in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

As used herein, the masculine gender shall include the feminine and the neuter and the singular number shall include the plural and vice versa.

Reference herein to persons shall include individuals, partnerships and bodies corporate.

References herein to times and days are, unless otherwise stated, references to Hong Kong times and days.

References to any law or regulation in the Rules shall be construed as references to such law or regulation as in force from time to time.

Headings are provided for ease of reference only and shall not affect the interpretation or construction of the provisions of the Rules.

For the avoidance of doubt, if there is any conflict in the meaning between the English version and the Chinese version of a Rule, the English version shall prevail.

CHAPTER 3

ADMISSION OF PARTICIPANTS

303. Criteria for admission

In the case of an application to become a General Clearing Participant, the applicant must: -

(iii) (if the applicant is a registered institution)

have Tier 1 capital under the Banking (Capital) Rules of not less than HK\$390,000,000 or such other level as prescribed by HKSCC from time to time.

CHAPTER 37

DEFAULT RULES - CNS SYSTEM

3702A. Confidentiality Obligation

- (i) Each Clearing Participant agrees and undertakes that, in consideration of it being provided with Default Information (in such capacity a “**Receiving Clearing Participant**”) it shall: (i) keep the Default Information strictly confidential and secure; (ii) only use the Default Information for the Permitted Purpose; and (iii) only disclose the Default Information to its employees, officers, representatives, advisers or Receiving Clearing Participant Affiliates for the Permitted Purpose (and to that extent only) and on a strict need to know basis.
- (ii) Upon demand by HKSCC and to the extent reasonably practicable, and in any event upon conclusion of the actions set out in Rules 3607, 3702 and 4107, the Receiving Clearing Participant shall promptly return to HKSCC all or any part of the Default Information in its possession or the possession of any of its employees, officers, representatives, advisers or Receiving

Clearing Participant Affiliates in whatever form it may be by a secure method or destroy or procure the destruction of any copies or reproductions of any material, paper, programme or record incorporating the Default Information including the destruction or expungement thereof from any memory device or medium, provided that the Receiving Clearing Participant may retain copies of any Default Information as required by law. Upon demand by HKSCC, the Receiving Clearing Participant shall provide to HKSCC a written confirmation that it has fully complied with the foregoing.

- (iii) Each Receiving Clearing Participant shall establish adequate procedures and mechanisms to ensure that the Default Information is, at all times, solely used for the Permitted Purpose by it and any of its employees, officers, representatives, advisers or Receiving Clearing Participant Affiliates.

- (iv) Nothing in these Rules shall prohibit disclosure or use of the Default Information if and to the extent: (i) it becomes publicly available other than as a result of a breach of these Rules by the Receiving Clearing Participant; (ii) the Receiving Clearing Participant is required to do so by order of a court of competent jurisdiction which arises as a result of the application of a third party; (iii) the Receiving Clearing Participant is required or requested to do so by any governmental authority which exercises a regulatory or supervisory function over the Receiving Clearing Participant; or (iv) HKSCC has given prior written approval to the disclosure.