

**GENERAL RULES OF CCASS**

**PART A: RULES OF GENERAL APPLICATION**

**CHAPTER 1**

**INTERPRETATION**

**101. Definitions**

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

“Disciplinary Appeals Committee”	means the committee designated by the Board consisting of one or more independent non-executive directors of HKEX and/or other persons co-opted by the Board;
“HKEX”	means Hong Kong Exchanges and Clearing Limited;
“HKEX website”	means the official website of HKEX at <a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a> or at such other website address specified by HKEX from time to time;

**CHAPTER 8**

**DEPOSITORY AND CUSTODIAN SERVICES**

**812. Withdrawal of Certificates**

Subject to the Rules, all instructions from Participants other than Investor Participants to effect withdrawal from CCASS of Eligible Securities in their Stock Accounts shall be given to HKSCC electronically via their CCASS Terminals, unless otherwise advised by HKSCC from time to time.

**CHAPTER 10**

**SETTLEMENT SERVICES**

**1003. Settlement by DIs or Batch-settlement-runs or on-line delivery**

In case a China Connect Clearing Participant has an overdue short CNS position in a China Connect Security, settlement of the Participant’s delivering SI Transactions in relation to such China Connect Security will only be effected under the circumstances as referred to in Section 12.1.6(vi)(e) of the Operational Procedures.

## CHAPTER 11

### NOMINEE SERVICES

#### **1101. Scope and extent of nominee and similar services**

HKSCC shall transmit to Participants other than Investor Participants via CCASS Terminals notices of any actions, transactions or other matters affecting Eligible Securities including those that provide for action to be taken by Participants. Investor Participants will be informed of any actions, transactions or other matters affecting Eligible Securities including those that provide for action to be taken by Participants and SSA Statement Recipients will be informed of any actions affecting Eligible Securities in SSA with Statement Service that are to be voted upon. HKSCC will inform the Investor Participants and SSA Statement Recipients through the activity statement and/or the CCASS Phone System and/or the CCASS Internet System. HKSCC shall not be precluded from using other means of communication to advise Participants and SSA Statement Recipients of any such actions, transactions or matters.

#### **1105. Time limit for instructions etc.**

In respect of any actions, transactions or other matters affecting an Eligible Security, HKSCC may assign a time-limit by which instructions, payments and/or other actions required to be taken in relation thereto by Participants (including persons acting with the authority of or on behalf of or for the account of the Participants) must be received by HKSCC. HKSCC may assign a latest time for (a) the giving of Electronic Application Instructions for New Issue Shares by Participants, which shall not be later than the latest time for lodging of application forms as described in the Prospectus or confirmation forms as described in the Prospectus as supplemented and amended, as the case may be, and (b) the giving of Tender Instructions, which shall not be later than (in the case of Exchange Fund Notes and Specified Instruments) two Business Days before the latest time for making the relevant tender or (in the case of Government Bonds and CMU Instruments) the latest time for application on the closing date of the subscription period. Save for the giving of Electronic Application Instructions for New Issue Shares, Investor Participants will normally be subject to a different time-limit for giving of instructions to HKSCC. Instructions from Participants with respect to any actions, transactions or other matters affecting Eligible Securities, Electronic Application Instructions for New Issue Shares and Tender Instructions shall be given to HKSCC electronically via CCASS Terminals, where applicable, unless otherwise prescribed by HKSCC from time to time. Investor Participants are required to input instructions to HKSCC via the CCASS Phone System or at the Customer Service Centre or the CCASS Internet System or by such other means as considered by HKSCC in its absolute discretion to be appropriate in the circumstances. SSA Statement Recipients are required to input voting instructions to HKSCC via the CCASS Phone System or the CCASS Internet System or by such other means as considered by HKSCC in its absolute discretion to be appropriate in the circumstances.

## **CHAPTER 12A**

### **FOREIGN EXCHANGE SERVICES**

#### **12A04. TSF Stocks**

HKSCC may establish and maintain a list of TSF Stocks designated as eligible to be traded on the Exchange with the support of the TSF. The list of TSF Stocks may be amended by HKSCC from time to time in its absolute discretion. HKSCC may publish the list of TSF Stocks on the HKEX website or by such other means as it considers appropriate.

Unless HKSCC otherwise determines, the TSF shall only be available for supporting the trading of Eligible Securities in the form of shares (which may be denominated in any currency) which are accepted for trading on the Exchange in RMB and which are included in the list of TSF Stocks.

#### **12A10. RMB FX Rates**

On any Trading day when the FX Services are available and when the TSF has not been temporarily suspended or ceased to operate, the following rates will be published on the HKEX website or by such other means as HKSCC considers appropriate:

#### **12A18. Temporary suspension of TSF**

If HKSCC decides to suspend all or part of the FX Services, it shall publish an announcement, on the HKEX website and/or by such other means as HKSCC considers appropriate, stating which part of the FX Services will be suspended, whether any TSF Exchange Trade, TSF FX Transaction or Stock Release FX Transaction will be affected, the effective date and time of suspension and any other information as HKSCC shall consider appropriate.

#### **12A19. Cessation of operation of TSF**

HKSCC may, in its sole and absolute discretion, decide to cease the operation of the TSF permanently, with immediate effect or otherwise by publishing an announcement on the HKEX website or by such other means as HKSCC considers appropriate.

## **CHAPTER 15**

### **LISTS TO BE MAINTAINED**

#### **1501. List of Eligible Securities and List of TSF Stocks**

HKSCC shall publish the list of Eligible Securities and the list of TSF Stocks on the HKEX website or by such other means as it considers appropriate.

**1502. Other lists**

HKSCC shall maintain and keep up to date at regular intervals a list of Participants in each category (other than Investor Participants), Designated Banks, China Connect Clearing Houses and Appointed Depositories in existence at the time. HKSCC shall publish such lists on the HKEX website or by such other means as it considers appropriate.

**1503. Rules available for inspection**

HKSCC shall maintain and keep up-to-date a copy of the Rules. HKSCC shall publish a copy of the Rules on the HKEX website or by such other means as it considers appropriate.

**CHAPTER 17**

**CONTINUING OBLIGATIONS OF PARTICIPANTS**

**1703. Other responsibilities**

Each Participant undertakes that:-

- (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; and

**CHAPTER 20**

**DISCIPLINARY ACTIONS**

**2001. Circumstances subject to disciplinary actions**

- (xi) failure to provide 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 (this act of misconduct does not apply to an Investor Participant) or pursuant to Rule 1703(iii) or (vii);

**CHAPTER 25**

**GUARANTEE FUND**

**2502. Contributions by Clearing Participants**

The arrangement of allowing a Dynamic Contribution Credit to each Clearing Participant is put in place by HKSCC with the financial support of HKEX. Neither HKEX nor HKSCC shall be required to make any actual payment to a Clearing Participant at any time in respect of the whole or any part of the Dynamic Contribution Credit that has been utilized and/or applied as above mentioned.

**2507A. Application of Dynamic Contribution Credit and Margin Credit, etc.**

- (ii) In the event that there are obligations and liabilities of HKSCC remaining after payment under Rule 2507(i) (if applicable), HKSCC will first apply the amount of Dynamic Contribution Credit and the amount of Margin Credit utilized by the Relevant Clearing Participant in default (if applicable) immediately before the occurrence of the Relevant Event to satisfy the remaining obligations and liabilities, prior to making any further payments out of the Guarantee Fund in accordance with the order set out in Rules 2507(ii) – (v).

The Margin Credit arrangement, as referred to in Section 10.10A.2 of the Operational Procedures, is put in place by HKSCC with the financial support of HKEX. Neither HKEX nor HKSCC shall be required to make any actual payment to a Clearing Participant in respect of the whole or any part of the Margin Credit that has been utilized as provided in the Operational Procedures and/or applied as mentioned above.

- (v) Where the whole or any part of the amount(s) of Dynamic Contribution Credit utilized and/or Margin Credit utilized is applied to satisfy the remaining obligations and liabilities pursuant to this Rule 2507A, the Relevant Clearing Participant in default (if applicable) shall be liable to repay to HKSCC the relevant amounts and HKSCC shall be entitled to recover the amounts from such Relevant Clearing Participant in default (if applicable), without prejudice to any other rights which HKSCC may have. To the extent that the amount recovered by HKSCC from such Relevant Clearing Participant in default (if applicable) represents the financial support provided by HKEX, HKSCC will pay the amount received by it to HKEX.

**2510. Recovery of sums**

The amounts recovered (less any costs and expenses of recovery) may, but need not necessarily, be credited to the Guarantee Fund and repaid to HKSCC. If the amounts recovered are so credited and applied, it will be in the reverse order of priority as that for payments out of the Guarantee Fund and application of Dynamic Contribution Credit utilized and Margin Credit utilized to satisfy obligations and liabilities pursuant to Rules 2507 and 2507A, and where any such payment or application is made on pro-rata basis, the credit and repayment would be made on the same pro-rata basis. To the extent any amount credited to the Guarantee Fund represents Basic Contribution or Dynamic Contribution made by a Relevant Clearing Participant (other than the Relevant Clearing Participant in default) whose participation in CCASS has been effectively terminated, HKSCC may return such amount to the Relevant Clearing Participant or deal with it in such other manner as HKSCC considers appropriate, without prejudice to any other rights of HKSCC. To the extent that the amount repaid to HKSCC represents the financial support provided by HKEX, HKSCC will pay the relevant amount received by it to HKEX.

## **CHAPTER 28**

### **DISCLOSURE**

- 2804.** HKSCC may provide information in relation to a Participant other than an Investor Participant to any exchange, clearing house, governmental, regulatory or competent authority or any organization (whether within or outside Hong Kong) with which HKEX, HKSCC or the Exchange has entered into an information sharing arrangement or agreement or pursuant to the Tax Information Exchange Framework.
- 2805.** HKSCC may make available to the public, via the HKEX website or such other means or person as it considers appropriate, details of Participants' holdings of Eligible Securities in CCASS or any Appointed Depositary (other than those of Investor Participants unless their consent is obtained). Details of Participants' holdings of Eligible Securities in CCASS or any Appointed Depositary that were or could have been disclosed or made available to the public as aforesaid will remain viewable and accessible by the public after the termination of their participation in CCASS for whatever reason.
- 2806.** Without prejudice to the other provisions and any other rights HKSCC may have, HKSCC may direct a Participant to provide it with any information required or requested by a governmental, regulatory or other competent authority, a regulated exchange or clearing house whether within or outside Hong Kong with which HKEX, HKSCC or the Exchange has entered into an information sharing arrangement or agreement or pursuant to the Tax Information Exchange Framework.

## **CHAPTER 29**

### **AMENDMENTS**

**2902. Notification of amendments**

HKSCC shall notify Participants in the event of any amendment, extension or deletion to be made to the Rules or to the Operational Procedures and the effective date thereof. A copy of such amendment, extension or deletion shall be available for perusal by Participants on the HKEX website.

## **CHAPTER 30**

### **NOTICES**

**3001. Notice by HKSCC**

Unless otherwise provided in the Rules, all notices, requests, demands or other communications from HKSCC to Participants other than Investor Participants may be given orally or in writing, in person or by post, by electronic or wire transmission, by telephone or facsimile, by posting on the HKEX website, or by any means of computer data transmission. Investor Participants will be notified in writing by post, by posting on the HKEX website or

such other means as HKSCC considers appropriate and, for Investor Participants using the CCASS Internet System, through the CCASS Internet System.

In the case of communications made by HKSCC to a Participant by electronic or wire transmission, by telephone or facsimile, by posting on the HKEX website or any other instantaneous means, the communications shall be deemed to have been received by the Participant immediately.

## **CHAPTER 41**

### **CHINA CONNECT CLEARING SERVICES**

#### **4103. China Connect Clearing Participants and Eligibility Criteria for Registration**

HKSCC may from time to time prescribe additional eligibility criteria for Participants to be accepted for registration and to remain registered as China Connect Clearing Participants. HKSCC may prescribe different eligibility criteria for registration in respect of different China Connect Markets and different China Connect Securities under different Clearing Links. HKSCC will publish the China Connect Clearing Participant Registration Criteria and a list of China Connect Clearing Participants on the HKEX website or by such other means as it considers appropriate.

#### **4105. China Connect Securities and China Connect Clearing Houses**

HKSCC will establish and maintain the following lists and will publish them on the HKEX website or by such other means as it considers appropriate:

#### **4107. Risk Management Measures applicable to China Connect Securities Trades**

##### **i. Mainland Settlement Deposit and Mainland Security Deposit**

Each China Connect Clearing Participant shall on demand provide to HKSCC such amount of Mainland Settlement Deposit and Mainland Security Deposit for each China Connect Market as may from time to time be determined by HKSCC to be payable by the China Connect Clearing Participant in respect of its or its NCPs' China Connect Securities Trades on that China Connect Market.

HKSCC shall be entitled from time to time and at any time to compute Mainland Settlement Deposit and Mainland Security Deposit using the formulae set forth in the Operational Procedures or such other methods and assumptions as HKSCC may consider appropriate. Unless HKSCC otherwise specifies, in respect of each China Connect Market, (i) Mainland Settlement Deposit will be computed by reference to the buy turnover in China Connect Securities and any overdue short CNS stock positions in China Connect Securities of a China Connect Clearing Participant and its NCPs on that China Connect Market and the sell turnover in China Connect Securities that are executed on that China Connect Market by the China Connect Clearing Participant and its NCPs for Special Segregated Accounts; and (ii) Mainland Security Deposit will be computed by reference to the net settlement amount in China Connect Securities Trades of the China

Connect Clearing Participant and its NCPs on that China Connect Market under the CNS System.

The calculation and collection of Mainland Settlement Deposit and Mainland Security Deposit and the use of any surplus Mainland Security Deposit shall be made in accordance with the Operational Procedures.

HKSCC shall have the right to satisfy its obligations as clearing participant to the China Connect Clearing House under the relevant Clearing Link with, or otherwise use, funds provided by China Connect Clearing Participants as Mainland Settlement Deposit and Mainland Security Deposit. Without limitation to the foregoing or to application of such funds in accordance with the rules of the China Connect Clearing House, HKSCC may use such funds for money settlement in the event that the usual money settlement procedures between HKSCC and the China Connect Clearing House under the relevant Clearing Link are temporarily delayed or prevented as a result of any typhoon, black rainstorm warning, human error or delay, third party or technical incidents or force majeure events, provided that HKSCC will endeavour to replenish the funds used in such money settlement as soon as practicable. For the avoidance of doubt, in such situations HKSCC shall still be liable to pay to a China Connect Clearing Participant an amount equal to the Mainland Settlement Deposit and Mainland Security Deposit provided by it (less any amount if any used to satisfy obligations and liabilities of such China Connect Clearing Participant) in accordance with Rule 4107(v).

#### **4108. Fees and charges of China Connect Clearing Houses**

Participants shall pay all fees, charges, levies and taxes that are required by the relevant China Connect Clearing House or applicable laws to be payable in respect of the China Connect Securities that are maintained in HKSCC's account with the China Connect Clearing House, including all fees, charges, levies and taxes relating to the clearing, settlement, custodian and other services that may be provided in respect of such China Connect Securities. HKSCC will publish information on fees, charges, levies and taxes payable and the manner of collection on the HKEX website or through such other means as HKSCC considers appropriate.

#### **4109. Conditions and restrictions on the use of China Connect Clearing Services**

HKSCC has absolute discretion to impose or amend conditions or restrictions for access to or the use of China Connect Clearing Services from time to time for the purpose of ensuring that the clearing and settlement of China Connect Securities and the depository, nominee and other services relating to China Connect Securities through the use of China Connect Clearing Services will not contravene applicable laws or for any other reasons which HKSCC considers appropriate. Different conditions or restrictions may be prescribed in respect of different China Connect Securities and China Connect Markets. HKSCC will publish the conditions or restrictions on the HKEX website or through such other means as HKSCC considers appropriate. Participants shall comply with all such conditions and restrictions in all respects.

**4111. Suspension and Cessation of Operation of China Connect Clearing Services and emergency arrangements**

If HKSCC decides to suspend or restrict the China Connect Clearing Services or any part thereof under this Rule 4111, HKSCC shall publish an announcement on the HKEX website or by such other means as HKSCC considers appropriate, stating the nature of the suspension or restriction, the effective date and time of suspension or restriction and any other information as HKSCC considers appropriate.

HKSCC may decide to cease the provision of the China Connect Clearing Services permanently with immediate effect or otherwise by publishing an announcement on the HKEX website or by such other means as HKSCC considers appropriate, and HKSCC will specify the arrangements and conditions (including the treatment of any outstanding positions in China Connect Securities Trades or any holdings of China Connect Securities) upon which cessation shall take effect, having regard to such considerations and circumstances as HKSCC may consider appropriate.

**4113. Responsibilities of HKSCC**

In making the China Connect Clearing Services available, HKSCC is only providing arrangements and services to facilitate the clearing and settlement of China Connect Securities Trades and related nominee and depository services. Except expressly provided for under these Rules, HKSCC, the Exchange and HKEX and their respective directors, employees and agents shall not be liable for any obligation with respect to any China Connect Securities Trade, and all obligations and liabilities in relation to or arising from any China Connect Securities Trade, the holding of any China Connect Securities or the use of any China Connect Clearing Service by a Participant shall be borne by the Participant concerned. In addition to any indemnities given by a Participant under these Rules, each Participant shall fully indemnify HKSCC, the Exchange and HKEX and their respective directors, employees and agents and keep each of them indemnified against all third party claims, actions and proceedings in relation to or arising from, directly or indirectly, any China Connect Securities Trade of the Participant, the holding of any China Connect Securities or the use of any China Connect Clearing Service by the Participant and all losses, damages, costs and expenses incurred by HKSCC, the Exchange and HKEX and their directors, employees and agents in relation to such claims, actions and proceedings.

HKSCC, the Exchange and HKEX, and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by a Participant, its clients or NCPs (if applicable) or any third parties arising from or in connection with the China Connect Clearing Services including, without limitation, the following: