

GENERAL RULES OF CCASS

**CHAPTER 1
INTERPRETATION**

101. Definitions

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

“Parallel Trading Conversion Instruction” means an instruction given by a Participant other than an Investor Participant to HKSCC in such form as HKSCC may prescribe from time to time, to effect the conversion of its holdings in an Eligible Security subject to parallel trading arrangements, as referred to in Rule 816B;

**CHAPTER 8
DEPOSITORY AND CUSTODIAN SERVICES**

816B. Conversion service for Eligible Securities subject to parallel trading arrangements

In relation to an Eligible Security which is subject to parallel trading arrangements and which has been assigned with separate stock codes for this purpose, as referred to in Section 8.14 of the Operational Procedures, HKSCC may accept instructions from Participants other than Investor Participants to effect the conversion of their holdings in the Eligible Security in CCASS from one relevant stock code to another relevant stock code on a one to one basis.

A Participant other than an Investor Participant that wishes to effect such a conversion of its holdings in the relevant Eligible Security in its Stock Accounts (except its Stock Collateral Control Accounts, SSA with Statement Service (in the case of a Clearing Participant or a Custodian Participant) and TSF Accounts (in the case of a TSF CCASS Participant)) should provide Parallel Trading Conversion Instructions to HKSCC in accordance with the Operational Procedures.

HKSCC may specify such conditions, procedures and other requirements for the conversion service in the Operational Procedures or through other means as it may consider appropriate from time to time. Further, HKSCC may decline to provide the service or suspend or cease to provide the service with respect to any Eligible Security subject to parallel trading arrangements at any time.

CHAPTER 9 CLEARING SERVICES

904. Clearance of other transactions : SIs

Except in relation to Exchange Trades and Clearing Agency Transactions and ISI Transactions, the clearance of other transactions to be settled in CCASS will require the input by each Participant to such a transaction of a Settlement Instruction, containing such details as are specified in and otherwise in accordance with the Operational Procedures. Where the details input by the Participant contain information of or relating to any person other than a Participant, the Participant undertakes and confirms to HKSCC that it has obtained the written consent of the relevant person to input the information for the purpose of the Rules and to facilitate the provision of CCASS services by HKSCC to Participants in accordance with the Rules. Notwithstanding the input of any such details in a Settlement Instruction by a Participant, HKSCC shall be under no obligation to recognize any right or interest which any person may have or claim to have in relation to the relevant transaction or any matters concerning CCASS, and the Participant shall at all times be liable as principal to HKSCC.

Settlement Instructions input by Participants will be subject to matching in accordance with the Operational Procedures and when matched, the relevant transactions will, unless rejected by HKSCC, be accepted for settlement in CCASS in accordance with the Rules.

For the avoidance of doubt, HKSCC will not be responsible in any way for the failure of a Participant to settle such a transaction in CCASS in accordance with the terms as agreed between the two counterparty Participants.

CHAPTER 19 INDEMNITY

1901. Scope of indemnity

Each Participant shall indemnify HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC and their respective agents, nominees, representatives, officers and employees and hold each of them harmless against all costs, fees, expenses, liabilities, taxes, assessments, losses, fines, penalties, and damages of any nature whatsoever (including the interest accrued to any such amount) suffered or incurred by any of them directly or indirectly as a result of or in connection with the following matters (except where HKSCC is guilty of anything not done or not omitted to be done in good faith on its part and is directly responsible for the losses etc.):

- (i) the participation in CCASS by the Participant and/or its activities in CCASS, the provision of services by HKSCC to the Participant in respect of Eligible Securities held or recorded in CCASS or by an Appointed Depository (as the case may be) and the provision of the FX Services by HKSCC as TSF operator to TSF CCASS Participants and all matters relating thereto as contemplated in the Rules;