

GENERAL RULES OF CCASS

CHAPTER 40

CLEARING BY GENERAL CLEARING PARTICIPANTS

4001. Execution of Clearing Agreement

Every GCP which intends to clear and settle Exchange Trades and Clearing Agency Transactions for NCPs shall enter into a Clearing Agreement in such form or containing such provisions as may from time to time be required by HKSCC with each NCP the Exchange Trades and Clearing Agency Transactions of which it clears and settles. Except as otherwise approved by HKSCC and subject to such terms and conditions as HKSCC may from time to time specify, a GCP shall not accept for clearing and settlement of any Exchange Trades and Clearing Agency Transactions of a NCP unless and until there is in place a valid, binding and effective Clearing Agreement between it and the NCP.

4002. Notification of execution of Clearing Agreement

A GCP shall notify HKSCC of each Clearing Agreement it entered into with a NCP forthwith upon its execution. Such notification shall be in such form as HKSCC may from time to time specify. The GCP shall, at the request of HKSCC, supply it with a certified copy of the executed Clearing Agreement.

4004. Termination of Clearing Agreement

A GCP shall give prior written notice to HKSCC if it or an NCP intends to terminate the Clearing Agreement between them, unless the NCP has already given notice to terminate the Clearing Agreement to the Exchange in accordance with the Exchange Rules.

When HKSCC receives a termination notice from a GCP or when HKSCC receives notification from the Exchange that notice to terminate the Clearing Agreement had been given by an NCP, HKSCC will issue a confirmation of termination to the GCP (with a copy to the NCP concerned) in writing and unless and until written confirmation has been issued to the GCP, the Clearing Agreement shall be treated as valid, binding and effective by HKSCC for the purposes of these Rules notwithstanding any provision to the contrary in the Clearing Agreement and/or the termination notice from the GCP or the NCP and the GCP shall continue to be bound by the Clearing Agreement and responsible for all the Exchange Trades and Clearing Agency Transactions concluded by such NCP.