

Disciplinary Procedures

PART I

RESPONSIBILITIES, POWERS AND FUNCTIONS OF COMMITTEES, DIVISIONS, DEPARTMENTS, SECTIONS, UNITS AND SECH CONCERNING DISCIPLINARY MATTERS

1. Disciplinary Section

The responsibilities and functions of the Disciplinary Section include the following:-

- 1.5.1 to notify the Hong Kong Securities Clearing Company Limited ("HKSCC") whenever the Exchange considers taking disciplinary action against an Exchange Participant in relation to any breaches of Rules 401 to 429, 501 to 545, 552 to 563D, 723 or the HKSCC Rules and to notify HKSCC of the result of such consideration and the disciplinary action taken, if any; in the event of an Exchange Participant being called upon to resign pursuant to Rule 702(2), to notify HKSCC of such fact [Rule 709A(1)];
- 1.5.2 to notify HKSCC whenever the Exchange considers taking disciplinary action against a Special Participant in relation to any breaches of Rules 501, 501G to 501I, 502A to 502B, 502D, 503 to 505A, 506A, 507A, 508, 511, 512, 514, 516, 516A, 517(1), 517(4), 517(6), 517B to 519, 522, 528, 544(1), 544(3), 544(4), 545, 563C to 563D, 723 or the HKSCC Rules and to notify HKSCC of the result of such consideration and the disciplinary action taken, if any; in the event of a Special Participant being called upon to resign pursuant to Rule 702(2), to notify HKSCC of such fact [Rule 709A(2)];