

**Rules of the Exchange**

**CHAPTER 3**

**EXCHANGE PARTICIPANTSHIP**

**CCASS Participation**

358. (1) Every Exchange Participant which carries on the business of dealing in securities shall be required to:
- (a) become a CCASS Clearing Participant if it intends to clear its own Exchange Trades and shall comply at all times with the CCASS Rules; or
  - (b) have a valid, binding and effective CCASS Clearing Agreement with a CCASS GCP if it intends to clear its Exchange Trades through a CCASS GCP.
- (2) Unless or until such time as an Exchange Participant is or becomes a CCASS Clearing Participant or has a valid, binding and effective CCASS Clearing Agreement with a CCASS GCP for the clearing of its Exchange Trades, it shall not be allowed to trade on the Exchange.

**CHAPTER 14**

**CHINA CONNECT SERVICE**

1406. (1) Only the following Exchange Participants shall be eligible to apply for registration and to remain registered as China Connect Exchange Participants:
- (a) Exchange Participants that are CCASS Clearing Participants; and
  - (b) Exchange Participants that are not CCASS Clearing Participants but have entered into a valid, binding and effective CCASS Clearing Agreement with a CCASS GCP which is and remains registered by HKSCC as a China Connect CCASS Clearing Participant for the clearing of its China Connect Securities Trades.
- (2) An Exchange Participant that is a CCASS Clearing Participant shall itself clear, and shall not be allowed to appoint a CCASS GCP to clear, its China Connect Securities Trades. To be accepted for registration and to remain registered as a China Connect Exchange Participant, it must:

- (a) meet the relevant China Connect Exchange Participant Registration Criteria;
  - (b) be approved as a China Connect Exchange Participant and such approval must not have been withdrawn by the Exchange; and
  - (c) be approved as a China Connect CCASS Clearing Participant and such approval must not have been withdrawn by HKSCC.
- (3) In the case of an Exchange Participant that is not a CCASS Clearing Participant, to be accepted for registration and to remain registered as a China Connect Exchange Participant, it must:
- (a) meet the relevant China Connect Exchange Participant Registration Criteria;
  - (b) be approved as a China Connect Exchange Participant and such approval must not have been withdrawn by the Exchange; and
  - (c) have entered into a valid, binding and effective CCASS Clearing Agreement with a CCASS GCP which is registered and which remains registered by HKSCC as a China Connect CCASS Clearing Participant for the clearing of its China Connect Securities Trades and if such CCASS GCP does not also clear its Exchange Trades, it must also have entered into a valid, binding and effective CCASS Clearing Agreement with another CCASS GCP for the clearing of its Exchange Trades.
- (8) Every China Connect Exchange Participant which has entered into a CCASS Clearing Agreement with a CCASS GCP for the clearing of its China Connect Securities Trades shall give prior notice to the Exchange in writing of the termination of the CCASS Clearing Agreement before it is actually terminated, unless the CCASS GCP has already given notice to terminate the CCASS Clearing Agreement to HKSCC in accordance with the CCASS Rules.