

CHAPTER 3

EXCHANGE PARTICIPANTSHIP

Qualification

301. [Repealed]
- 301A. [Repealed]
- 301B. [Repealed]
- 301C. (a) The Board may consider and act upon such evidence as the Board may in its absolute discretion determine admissible in relation to any matter as it thinks fit.
- (b) If the Board rejects an application to be an Exchange Participant, the applicant may, within 14 business days after it is notified of the Board's decision, appeal in writing to the Exchange Participant Admission Appeals Committee whose decision will be final.
302. An Exchange Participant must always comply with the following requirements:-
- (1) be a holder of a Stock Exchange Trading Right;
 - (2) be a licensed corporation or deemed to be a licensed corporation licensed under section 116(1) of the Ordinance to carry on Type 1 regulated activity under the Ordinance provided that if its licence is suspended under Part IX of the Ordinance, it shall not be prevented from continuing to be an Exchange Participant if it is otherwise eligible to continue to be such an Exchange Participant;
 - (3) be a company limited by shares incorporated in Hong Kong;
 - (4) [Repealed]
 - (5) be of good financial standing and integrity;
 - (6) [Repealed]
 - (7) the financial resources requirements specified in the Financial Resources Rules and where applicable the financial resources requirements made under Rule 408;
 - (7A) [Repealed]
 - (7B) [Repealed]
 - (8) comply with such other requirements for Exchange Participantship as the Exchange may from time to time prescribe.

Exchange Participantship Application Procedure

303. (1) Any person desirous of becoming an Exchange Participant shall complete, sign and deliver to the Secretary an application in writing in such form as the Board may from time to time prescribe.
- (2) [Repealed]
- (3) The candidate shall provide proof to the satisfaction of the Board that it is, at the time of making such application, able to comply with the Financial Resources Rules and other legislation in force for the time being.
- (4) The candidate shall provide the Board with all further information that the Board may require for dealing with the application.

Options Participants Application Procedure

- 303A. (1) An Exchange Participant desirous of becoming an Options Exchange Participant shall:-
- (a) complete, sign and deliver to the Secretary an application in writing in such form as the Board may from time to time prescribe;
 - (b) provide proof to the satisfaction of the Board that it is, at the time of making such application, able to comply with the requirements set out in the Options Trading Rules;
 - (c) specify whether it is applying to become an Options Trading Exchange Participant or an Options Broker Exchange Participant; and
 - (d) provide the Board with all further information that the Board may require for dealing with the application.
- (2) If the Board rejects an application to be an Options Exchange Participant, the Exchange Participant may, within 14 business days after it is notified of the Board's decision, appeal in writing to the Exchange Participant Admission Appeals Committee whose decision will be final.

Market Maker Permit Application Procedure

- 303B. (1) Any Options Trading Exchange Participant desirous of obtaining a Market Maker permit shall:-
- (a) complete, sign and deliver to the Secretary an application in writing in such form as the Board may from time to time prescribe;
 - (b) provide proof to the satisfaction of the Board that it is, at the time of making such application, able to comply with the requirements set out in the Options Trading Rules in respect of a Market Maker permit; and
 - (c) provide the Board with all further information that the Board may

require for dealing with the application.

- (2) The decision of the Board in respect of an application for a Market Maker permit shall be final and conclusive and the Board shall not be required to give any reason for its decision.

- 304.
- (1) [Repealed]
 - (2) [Repealed]
 - (3) [Repealed]
 - (4) [Repealed]
 - (5) [Repealed]
 - (6) [Repealed]
 - (7) [Repealed]
 - (8) [Repealed]

Notice of admission

305. On the admission of an Exchange Participant the fact shall forthwith be notified to it in writing by the Secretary and a request for payment for the Stock Exchange Trading Right to be issued to it (if appropriate) and its current subscription shall be sent to it. It shall become an Exchange Participant upon its name being registered in the Register of Exchange Participants.

- 305A.
- (1) Notwithstanding anything contained in these Rules, any entitlement of an Exchange Participant to the benefit of a Seat in respect of each Stock Exchange Trading Right of the Exchange Participant, whether or not the Seat has already been granted by the Exchange and held by the Exchange Participant before the Cessation Date shall cease and extinguish with effect from the Cessation Date without any liability on the part of the Exchange.
 - (2) [Repealed]

Exchange Participant liable to expulsion for misrepresentation

306. An Exchange Participant shall be liable to expulsion if in any of the particulars or information given by an Exchange Participant any misrepresentation or omission shall be found to have been made which in the opinion of the Board was material. In the event that an Exchange Participant is so expelled:-

- (1) all rights of the Exchange Participant in question shall cease totally except that the validity of any meeting or resolutions passed thereat during the period whilst it was an Exchange Participant shall not be affected;
- (2) it shall remain indebted to the Exchange for all monies owed as an

Exchange Participant; and

- (3) the Board may revoke its Stock Exchange Trading Right.

Notice of rejection

307. Notice of rejection shall be given in writing by the Secretary to the candidate which has failed to gain admission to the Exchange.

Stock Exchange Trading Rights

308. [Repealed]

309. A Stock Exchange Trading Right may not be held jointly.

310. A person may hold more than one Stock Exchange Trading Right.

311. No holder of Stock Exchange Trading Right(s) shall sell, transfer, pledge, mortgage or create any trust, charge, lien or any other encumbrance over the Stock Exchange Trading Right(s) he or it holds, nor assign any of his or its rights, benefits or privileges as a holder of a Stock Exchange Trading Right otherwise than in accordance with these Rules. The Exchange shall not be bound or compelled in any way to recognise (even when having notice thereof) any dealing or disposition made in contravention of this Rule.

- 311A. (a) Ownership of a Stock Exchange Trading Right will be recorded in an appropriate manner by the Exchange. Subject to Rule 3A18, a holder of a Stock Exchange Trading Right will be issued with an appropriate instrument which shall be prima facie evidence of the entry of his or its name in the register of holders of Stock Exchange Trading Rights kept by the Exchange.

- (b) With effect from the tenth anniversary of the Scheme Effective Date, Stock Exchange Trading Rights held as from the Scheme Effective Date which were granted under the Stock Exchange Scheme are not transferable. For purposes of this Rule 311A(b), the following will not be transfers:

- (A) the transmission of a Stock Exchange Trading Right to a person in consequence of the death of its recorded holder;
- (B) the assignment of a Stock Exchange Trading Right from an individual to a company of which he is the sole beneficial owner; and
- (C) a liquidator, receiver or trustee in bankruptcy taking possession of a Stock Exchange Trading Right in such capacity.

For the avoidance of doubt, the person and the company to whom a Stock Exchange Trading Right is transmitted or assigned and the liquidator, receiver or trustee in bankruptcy taking possession of a Stock Exchange Trading Right shall abide by these Rules and any decision of the Board as if he or it were the recorded holder.

- (c) [Repealed]

- (d) A Stock Exchange Trading Right cannot be fragmented into separate rights for different products unless so authorized by the Exchange.
- (e) Stock Exchange Trading Rights which were not granted under the Stock Exchange Scheme shall not be transferable.

311B. No person may resign as an Exchange Participant of the Exchange and no holder of a Stock Exchange Trading Right may relinquish his or its Stock Exchange Trading Right(s) except with the prior written approval of the Board which may be given subject to any conditions the Board thinks fit. Pending such approval, these Rules shall continue to bind any Exchange Participant or holder of a Stock Exchange Trading Right which has given notice of resignation or relinquishment as if such notice had not been given and the jurisdiction of the Exchange over that Exchange Participant or holder of a Stock Exchange Trading Right, his or its business, affairs and employees shall be in no way affected by such notice.

312. [Repealed]

Responsible Officer of Exchange Participant

313. Unless otherwise determined by the Exchange, all licensed representatives of an Exchange Participant who have been approved by the Commission under Part V of the Ordinance as responsible officers in relation to Type 1 regulated activity shall be registered with the Exchange as Responsible Officers and be placed on the Register of Responsible Officers kept by the Exchange. Upon request by the Exchange, an Exchange Participant shall promptly provide to the Exchange any information of any of its responsible officers. Each Responsible Officer shall undertake to comply with all applicable Rules, any relevant regulations, procedures and guidelines made hereunder or any conditions and directions from time to time prescribed by the Exchange. At all times, an Exchange Participant shall have at least one executive director registered with the Exchange as a Responsible Officer.

313A. [Repealed]

313B. [Repealed]

313C. [Repealed]

314. An Exchange Participant shall not allow any of its Responsible Officers to carry on in Hong Kong a business of dealing in securities except a business carried on for and on behalf of:-

- (1) that Exchange Participant; or
- (2) [Repealed]
- (3) a corporation of which he is a responsible officer as defined in the Ordinance and which is of the same group of companies as that Exchange Participant,

provided that in respect of (3) above, with regard to any Responsible Officer who

intends to carry on the business of dealing in securities for and on behalf of such a corporation, the Exchange Participant must make arrangements with a view to ensuring that in respect of each and every transaction the Responsible Officer will be readily identifiable with the particular corporation on behalf of which he carries on business and provided further that the Exchange Participant shall not allow such Responsible Officer to commence any business on behalf of such a corporation.

315. Any Responsible Officer, director, manager, secretary, or other similar officers of any Exchange Participant shall together with such Exchange Participant be liable for any breach, non-compliance, violation or contravention of these Rules if such breach, non-compliance, violation or contravention was committed or caused with the consent or connivance of or was attributable to any neglect on the part of such Responsible Officer, director, manager, secretary, or other similar officers.

316. [Repealed]

317. Any person who has been approved by the Commission under Part V of the Ordinance as a substantial shareholder shall be registered by the Exchange as a Substantial Shareholder. Any Exchange Participant with Substantial Shareholder(s) shall promptly provide to the Exchange in writing the name and detailed information as required by the Exchange of any person registered as a substantial shareholder under Part V of the Ordinance.

317A. An Exchange Participant shall promptly upon the request of the Exchange provide the Exchange with information as the Exchange may from time to time require for the purposes of these Rules or for the performance of its functions under the Ordinance. An Exchange Participant shall notify the Exchange in writing:-

(1) promptly upon the request of the Exchange of any change in any information supplied to the Exchange for its Exchange Participantship, whether at the time of application or any time thereafter.

(2) [Repealed]

318. – 344. [Repealed]

Incapacity

345. In the event of an Exchange Participant having passed a resolution to wind up or a court order for the appointment of a provisional liquidator or for winding up having been made against such Exchange Participant, all the rights and benefits of and in the Exchange Participantship shall be immediately suspended.

346. The receiver or liquidator (as the case may be) who shall have full charge and power over the assets of an Exchange Participant affected by the events referred to in Rule 345 (referred to hereinafter as the ‘affected Exchange Participant’) shall abide by these Rules and any decision of the Board as if he were the affected Exchange Participant but shall not be entitled to be registered as an Exchange Participant.

347. [Repealed]

348. [Repealed]

349. [Repealed]

350. [Repealed]

Business Name and Address

351. The business name of an Exchange Participant must be the same as that registered by such Exchange Participant under the Business Registration Ordinance. The Board shall have the power to prohibit any Exchange Participant from using any business name without prescribing any reason therefor.

Exchange Participants Certificates

351A. (1) The Exchange will no longer issue any Exchange Participant Certificate to a new Exchange Participant or re-issue any Exchange Participant Certificate issued to an Exchange Participant prior to 1 January 2021 that has been defaced, lost or destroyed. Registration of an Exchange Participant on the register of Exchange Participants shall be proof of its Exchange Participants and the Register of Exchange Participants shall be conclusive as to the information registered thereon.

(2) - (5) [Repealed]

352. [Repealed]

352A. An Exchange Participant shall only carry on a business of dealing in securities at its registered business address.

352B. [Repealed]

353. An Exchange Participant shall give advance notice of commencement, suspension, cessation and recommencement of every type of its business to the Board. The period of advance notice required shall be fixed by the Board from time to time.

353A. An Exchange Participant which gives notice pursuant to Rule 353 of its intention to recommence any type of its business shall demonstrate to the satisfaction of the Board that it is able to comply with the Financial Resources Rules and where applicable the financial resources requirements under Rule 408 at the time of that notice.

Liability and Outside Business Interests

354. An Exchange Participant shall be responsible for all acts done, commitments and contracts entered into by its Responsible Officers and employees, and any other persons acting on its behalf in its business of dealing in securities.

355. [Repealed]

356. [Repealed]

356A. An Exchange Participant shall notify the Board in writing of any business or business

other than that of dealing in securities in which it is engaged or intends to engage.

Interest

357. Unless otherwise determined by the Board, where any sum of money is deposited with the Exchange under these Rules or otherwise, for general or specific purposes, no interest shall be payable in respect of such deposit.

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 HKSCC Rules; or
 - (b) have a valid, binding and effective CCASS Clearing Agreement with at least one CCASS GCP if it does not intend to clear its own Exchange Trades.
- (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.
- (3) Every Exchange Participant shall cause all Exchange Trades to be settled through CCASS in accordance with the HKSCC Rules.
- (4) Every Exchange Participant who has entered into a CCASS Clearing Agreement with a CCASS GCP 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 HKSCC Rules.
- (5) An Exchange Participant which is a Broker Participant immediately prior to 3 December 2007 shall be deemed to be a CCASS DCP from 3 December 2007 in accordance with the HKSCC Rules. These Rules, all rights, privileges, registrations, approvals, obligations and liabilities accrued to or incurred by the Exchange Participant prior to 3 December 2007 shall continue to be valid and binding on it whatever the capacity in which those rights, privileges, registrations, approvals, obligations and liabilities have been accrued or incurred.
- (6) Where an Exchange Participant has entered into CCASS Clearing Agreements with more than one CCASS GCP, it must (a) ensure that each Exchange Trade executed by the Exchange Participant is designated to the relevant CCASS GCP by including its designated broker number or such other identifier as prescribed by the Exchange from time to time and (b) have arrangements in place to notify the relevant CCASS GCPs of such

designation.

The Exchange may impose a limit on the number of CCASS Clearing Agreements into which an Exchange Participant may enter. An Exchange Participant which has appointed only one CCASS GCP to clear its Exchange Trades is deemed to have all Exchange Trades executed by itself designated to the CCASS GCP for clearing.

359. [Repealed]

360. [Repealed]

361. [Repealed]

362. [Repealed]

363. [Repealed]

364. [Repealed]

364A. [Repealed]

Backup Central Gateway session

364AA. (1) (a) Subject to Rule 364AA(2) and unless otherwise determined by the Exchange, an Exchange Participant which has connected its BSS to a Central Gateway session, as entitled under Rule 365(1) or applied for under Rule 364B or Rule 365C for access to the System may apply to the Exchange for a Backup Central Gateway session for the backup of such Central Gateway session provided that the Backup Central Gateway session must be in respect of the same number of Stock Exchange Trading Rights and for the same number of standard Central Gateway throttle rates assigned to that Central Gateway session and the Exchange Participant may only apply for one Backup Central Gateway session irrespective of the number of Stock Exchange Trading Rights or standard Central Gateway throttle rates assigned to that Central Gateway session.

(b) Subject to Rule 364AA(2), an Exchange Participant which has connected its BSS to a Market Making Central Gateway session for access to the System may, subject to Rule 364AA(2), apply to the Exchange for a Backup Central Gateway session to be designated for the backup of such Market Making Central Gateway session unless otherwise determined by the Exchange provided that the Backup Central Gateway session must be in respect of the same number of standard Central Gateway throttle rates assigned to that Market Making Central Gateway session and the Exchange Participant may only apply for one Backup Central Gateway session irrespective of the number of standard Central Gateway throttle rates assigned to that Market Making Central Gateway session.

- (2) An Exchange Participant which has connected to a Backup Central Gateway session shall comply with such terms and conditions as the Exchange shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time.
- (3) [Repealed]
- (4) [Repealed]
- (5) [Repealed]
- (5A) Notwithstanding anything to the contrary herein contained, upon activation of a Backup Central Gateway session by the Exchange Participant, a Backup Central Gateway session shall for the purposes of these Rules be deemed a Central Gateway session entitled under Rule 365(1) or a Market Making Central Gateway session (as the case may be) and be used as such by the Exchange Participant concerned in accordance with these Rules relating to a Central Gateway session entitled under Rule 365(1) or a Market Making Central Gateway session (as the case may be) until such time as it is returned by the Exchange Participant to a "non-trading" mode.
- (6) [Repealed]
- (7) For the avoidance of doubt, references to "Central Gateway session entitled under Rule 365(1)" in this Rule 364AA shall include a new Central Gateway session under Rule 364B(3)(c) and a new Central Gateway session under Rule 365C(2).

Trading Facilities

- 364B. (1) [Repealed]
- (1A) Where the entitlement to the benefit of a Seat for any Stock Exchange Trading Right held by an Exchange Participant has ceased and extinguished with effect from the Cessation Date and the Exchange Participant either (A) had not made any successful application to relinquish it for any other entitlement or (B) had made a successful application to relinquish it for an entitlement other than the following, the Exchange Participant may, in respect of such Stock Exchange Trading Right, still apply to the Exchange for the following:
 - (a) [Repealed]
 - (b) [Repealed]
 - (c) an increase in the throughput rate of a Central Gateway message into the System through a Central Gateway session designated to the Exchange Participant.
- (1B) [Repealed]
- (1C) [Repealed]

- (1D) [Repealed]
- (2) [Repealed]
- (2A) [Repealed]
- (3) (a) (i) [Repealed]
 - (ii) The increase in the throughput rate of a Central Gateway message into the System through a Central Gateway session pursuant to Rule 364B shall unless otherwise determined by the Board be equivalent to a standard Central Gateway throttle rate.
- (b) [Repealed]
- (c) Any increase in the throughput rate of a Central Gateway message into the System through a Central Gateway session pursuant to Rule 364B shall be to an existing Central Gateway session designated to an Exchange Participant, or if the Exchange Participant applies to the Exchange for a new Central Gateway session, the increase in the throughput rate shall unless otherwise specified by the Exchange be to the new Central Gateway session. For the avoidance of doubt, a new Central Gateway session, if approved, shall in all respects be subject to the Rules applicable to "Central Gateway session" referred to in Rule 365(1) unless otherwise determined by the Board.
- (4) Any application by an Exchange Participant under Rule 364B shall be subject to the approval of the Exchange on such terms and conditions and payment of such fees and charges as it shall consider appropriate. In addition to these Rules, an Exchange Participant shall, if its application under Rule 364B is approved by the Exchange, comply with such terms and conditions as the Board shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time.
- (5) [Repealed]
- 364C. [Repealed]
- 365. (1) An Exchange Participant upon payment of a fee to be determined by the Board from time to time shall in respect of each Stock Exchange Trading Right held be entitled to:
 - (i) [Repealed]
 - (ii) [Repealed]
 - (iii) a Central Gateway session.
- (1A) [Repealed]

- (1B)
- (a) An Exchange Participant shall assign at least one Stock Exchange Trading Right to at least one Central Gateway session designated to the Exchange Participant. The throughput rate of a Central Gateway message into the System through a Central Gateway session assigned with a single Stock Exchange Trading Right shall unless otherwise determined by the Board be equivalent to a standard Central Gateway throttle rate.
 - (b) An Exchange Participant may apply to the Exchange for an increase in the throughput rate of a Central Gateway message into the System through a Central Gateway session designated to the Exchange Participant by assigning any additional Stock Exchange Trading Right which has not been assigned to any Central Gateway session to such Central Gateway session.
 - (c) Without prejudice to the entitlement under Rule 365(1) and Rule 365(1B)(a) and (b), an Exchange Participant may, in respect of each Stock Exchange Trading Right conferred on or issued to it by the Exchange on or after the Cessation Date, apply to the Exchange for an increase in the throughput rate of a Central Gateway message into the System through a Central Gateway session designated to the Exchange Participant.
 - (d) The increase in the throughput rate of a Central Gateway message into the System through a Central Gateway session pursuant to Rule 365(1B)(b) or (c) shall unless otherwise determined by the Board be equivalent to a standard Central Gateway throttle rate.
 - (e) Any increase in the throughput rate of a Central Gateway message into the System through a Central Gateway session pursuant to Rule 365(1B)(c) shall be to an existing Central Gateway session designated to an Exchange Participant, or if the Exchange Participant applies to the Exchange for a new Central Gateway session, the increase in the throughput rate shall unless otherwise specified by the Exchange be to the new Central Gateway session. For the avoidance of doubt, a new Central Gateway session, if approved, shall in all respects be subject to the Rules applicable to “Central Gateway session” referred to in Rule 365(1) unless otherwise determined by the Board.
 - (f) Any application by an Exchange Participant under Rule 365(1B) shall be subject to the approval of the Exchange on such terms and conditions and payment of such fees and charges as it shall consider appropriate. In addition to these Rules, an Exchange Participant shall, if its application under Rule 365(1B) is approved by the Exchange, comply with such terms and conditions as the Board shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time.

- (2) Notwithstanding Rule 365(1), the Exchange has the right to suspend, withdraw, or revoke the right of an Exchange Participant's access to the System on such terms and for such period as the Board thinks fit, whether requested by the Exchange Participant or not.
- (3) An Exchange Participant may request the Exchange to suspend, withdraw or revoke its right to access the System.
- (4)
 - (a) [Repealed]
 - (b) An Exchange Participant may connect its BSS to a Central Gateway session designated to it and, for backup purpose, a Backup Central Gateway session.
- (5) An Exchange Participant seeking to locate its BSS in any address must:
 - (a) provide prior written notification to the Exchange;
 - (b) ensure at all times that the environment is suitable for the location of such trading facility; and
 - (c) comply at all times with such other requirements for the installation and operation of the trading facility as the Exchange may prescribe from time to time.
- (6) An Exchange Participant shall be solely responsible and liable for the granting, monitoring and supervision of access to its BSS and any Central Gateway session or Backup Central Gateway session designated to it.
- (7) An Exchange Participant shall ensure that only the Exchange Participant and its Authorised Persons, as the case may be, can have access to and operate any Central Gateway session or Backup Central Gateway session designated to it.
- (8) [Repealed]
- (9) An Exchange Participant shall ensure its BSS is operated in such a way as not to affect the proper functioning of the System.
- (10) An Exchange Participant using the BSS shall submit a declaration or a declaration and return, as the case may be, to the Exchange in a form prescribed by the Exchange from time to time in relation to its BSS:
 - (a) prior to the connection or re-connection of its BSS to the System;
 - (b) prior to the implementation of material changes to its BSS or at any time as required by the Exchange during any period that its BSS is connected to the System.
- (11) [Repealed]

- (12) An Exchange Participant shall ensure that every employee and Authorized Person of such Exchange Participant is competent and has acquired the necessary skills and knowledge to carry out his responsibilities.

365A. [Repealed]

365B. [Repealed]

Increase of Central Gateway Session Throughput Rate

- 365C. (1) An Exchange Participant with a Central Gateway session may apply to the Exchange for an increase in the throughput rate of a Central Gateway message into the System through the Central Gateway session under this Rule 365C(1) or, in the case of an increase on a temporary or monthly basis, under Rule 365D(1) or Rule 365E(1), and such application shall be subject to the approval of the Exchange. Any increase in the throughput rate shall be for a standard Central Gateway throttle rate or multiples of a standard Central Gateway throttle rate.
- (2) An Exchange Participant which has applied for or which has acquired or subscribed for an increase in throughput rate entitlement under Rule 365C(1), Rule 365C(5), Rule 365D(1) or Rule 365E(1) may apply for a new Central Gateway session. The application for a new Central Gateway session shall be subject to the approval of the Exchange and such approval may be given subject to any conditions and payment of such fees and charges as the Board thinks fit. Without prejudice to the aforesaid, a new Central Gateway session, if approved, shall in all respects be subject to the Rules applicable to “Central Gateway session” referred to in Rule 365(1) unless otherwise determined by the Board.
- (3) An Exchange Participant shall, if its application under Rule 365C(1) is approved by the Exchange, and an Exchange Participant which has acquired an increase in throughput rate entitlement under Rule 365C(5) also shall comply with such terms and conditions as the Board shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time. Without prejudice to the aforesaid, any increase in the throughput rate under Rule 365C(1), Rule 365D(1) or Rule 365E(1) or pursuant to a transfer under Rule 365C(5) shall be assigned to an existing Central Gateway session or a new Central Gateway session under Rule 365C(2), if any, provided that at least a standard Central Gateway throttle rate shall, unless otherwise specified by the Exchange, be assigned to the new Central Gateway session, if any.
- (4) For the avoidance of doubt, references to Central Gateway session in this Rule 365C shall mean a Central Gateway session entitled under Rule 365(1) or a new Central Gateway session under Rule 364B(3)(c).
- (5) An increase in throughput rate entitlement granted under Rule 365C(1), Rule 365D(1) or Rule 365E(1) or acquired under this Rule 365C(5) may be transferred by an Exchange Participant upon such terms and subject to such conditions as may from time to time be prescribed by the Exchange including but not limited to the condition that the Exchange Participant to

which the throughput rate increase entitlement is to be transferred must be a company within the same group of companies as the Exchange Participant. An Exchange Participant wishing to transfer an increase in throughput rate entitlement shall apply to the Exchange for the transfer and such application shall be subject to the approval of the Exchange.

Throttle-on-Demand Scheme

- 365D. (1) An Exchange Participant with a Central Gateway session may apply to the Exchange for a temporary increase in the throughput rate of a Central Gateway message into the System on a daily basis (the “Throttle-on-Demand Scheme”) and such application shall be subject to the approval of the Exchange. Any temporary increase in the throughput rate shall be for a single or multiples of a standard Central Gateway throttle rate.
- (2) The Exchange may impose a maximum number of standard Central Gateway throttle rates that may be granted to an Exchange Participant under the Throttle-on-Demand Scheme.
- (3) An Exchange Participant shall, if its application under Rule 365D(1) is approved by the Exchange, comply with such terms and conditions as the Exchange shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time.

Monthly Throttle Subscription Scheme

- 365E. (1) An Exchange Participant with a Central Gateway session may apply to the Exchange for the subscription of an increase in the throughput rate of a Central Gateway message into the System on a monthly basis (the “Monthly Throttle Subscription Scheme”) and such application shall be subject to the approval of the Exchange. Any such increase in the throughput rate subscribed shall be for a single or multiples of a standard Central Gateway throttle rate.
- (2) The Exchange may impose a maximum number of standard Central Gateway throttle rates that may be granted to an Exchange Participant under the Monthly Throttle Subscription Scheme.
- (3) An Exchange Participant shall, if its application under Rule 365E(1) is approved by the Exchange, comply with such terms and conditions as the Exchange shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time.

Kill Switch session and Backup Kill Switch session

- 365F. (1) An Exchange Participant which has connected its BSS to a Central Gateway session for access to the System may apply to the Exchange for a Kill Switch session or a Backup Kill Switch session for the backup of such Kill Switch session.
- (2) An Exchange Participant shall, if its application under Rule 365F(1) is

approved by the Exchange, comply with such terms and conditions as the Exchange shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time.

- (3) An Exchange Participant shall be solely responsible and liable for the granting, monitoring and supervision of access to its Kill Switch session or Backup Kill Switch session. An Exchange Participant shall ensure that only its Authorized Persons can have access to and operate any Kill Switch session or Backup Kill Switch session.
- (4) An Exchange Participant is responsible for any request, instruction or message input via a Kill Switch session or a Backup Kill Switch session. The Exchange shall in no case be liable for any failure or unavailability of, or error or defect in any function in a Kill Switch session or a Backup Kill Switch session.

366. [Repealed]

367. [Repealed]

Legislative Council Ordinance

368. Pursuant to Section 20U of the Legislative Council Ordinance, the Exchange Participants which are suspended by the Exchange pursuant to Rule 702, Rule 704 or Rule 711 shall not be exchange participants for the purpose of the Legislative Council Ordinance.