

## Operational Clearing Procedures for Options Trading Exchange Participants

### TABLE OF CONTENTS

#### IV. DUTIES AND OBLIGATIONS OF SEOCH PARTICIPANTS

- 8. SETTLEMENT AND DELIVERY IN RESPECT OF STOCK TRANSACTIONS
- 9. MARGIN REQUIREMENT
- 10. MONEY SETTLEMENT
- 11. RESERVE FUND
- 12. POSITION CONTROL
- 13. FEES, LEVIES AND STAMP DUTY
- 13A. CONTRACT TERMINATION

#### **10. MONEY SETTLEMENT**

##### **10.2 The Daily Cash Settlement Component**

###### **10.2.4 Settlement Amount**

The Settlement Amount will be the amount, exclusive of stamp duty, FRC Transaction Levy (“FRC Transaction Levy”) payable pursuant to the Financial Reporting Council Ordinance, and SFC Transaction Levy (“SFC Transaction Levy”) and Investor Compensation Levy (“Investor Compensation Levy”) payable pursuant to the Securities and Futures Ordinance and its subsidiary legislation and trading fee, required to settle pending stock transactions on T+2. Depending on how the pending stock position is settled, the payment of the Settlement Amount will be handled differently as described in the following paragraphs.

#### **13. Fees, Levies and Stamp Duty**

##### **13.3 Transaction Levies and Investor Compensation Levy**

The SFC Transaction Levy, the FRC Transaction Levy, the Investor Compensation Levy, trading tariff and trading fee on stock transactions resulting from exercise and assignment of options contracts will be payable by SEOCH Participants and will be charged at the same rate and using the same collection systems of the Exchange as apply to stock transactions in the underlying market.

The SFC Transaction Levy imposed on option trades executed payable by SEOCH Participants is 0% of the consideration for each sale or purchase in accordance with the Securities and Futures (Levy) Order and no FRC Transaction Levy and Investor Compensation Levy are imposed on option trades respectively.