

Criteria for considering granting scrip fee concession on individual stock transfers belonging to the same underlying client of participants with CCASS

Scrip fee concession will be considered for approval by HKSCC on the condition that the following criteria are being complied with:-

1. Under normal circumstances, scrip fee concession will only apply to future scrip fees likely to **be double-charged by CCASS**. Concession will be granted to the stocks transferred, which will be exempted from being charged for scrip fee in their next book close dates. There will be *no refund* of historical scrip fees already charged by CCASS;
2. The securities must be owned by the *same underlying client* of CCASS participants *before and after the transfer (no change of beneficial ownership)*. For this purpose:
 - a. Written applications and declarations to such effect from the client, the transferor and transferee participants are required;
 - b. An inventory list of all stocks to be transferred together with details of client's stock balances as of their last scrip fee collection dates must be attached to the application which shall determine the scope of the concession applied for
3. Such applications should be submitted to HKSCC at least 10 business days before the stock transfer.
4. After approval of the application, the transfers of portfolio should be completed within not more than five settlement days. Prior approval must be obtained from HKSCC if a longer period is required which will be considered at the discretion of HKSCC.
5. The transferee participant should produce copies of CCASS statements to HKSCC immediately after the transfers certifying completion of the transfers which shall comply with the stocks and participants details as indicated in the application.
6. The concession will be granted following the portfolio transfers and based on the actual quantities of stocks transferred or the client's balances as of the last scrip fee collection dates, whichever is smaller.
7. HKSCC is entitled to levy a handling charge of HK\$ 1,000 per application. The handling charge will be collected **from the transferee participant via Direct Debit Instructions**.