

**NOTE: This draft is for indicative purposes only and is provided on a non-reliance basis. These amendments have not yet been implemented; the Terms and Conditions for Investor Participants remain subject to change prior to the effective date of these amendments.**

## **TERMS AND CONDITIONS FOR INVESTOR PARTICIPANTS**

### **1. Definitions**

- 1.1 In this document, unless the context otherwise requires, the following expressions have the following meanings:-

"Participant"

means a person other than a Registrar Participant admitted for the time being by HKSCC as a participant of CCASS;

"participating securities"

has the meaning given to it by rule 4 of the Securities and Futures (Uncertificated Securities Market) Rules;

"Uncertificated Eligible Security"

means an Eligible Security (other than a Foreign Security, ~~or~~ a China Connect Security or a participating security) issued by an Overseas Issuer in ~~uncertificated scripless~~ form and designated by HKSCC as an "Uncertificated Eligible Security" for the purposes of the Rules;

"Withholding Balance"

means, in relation to an Investor Participant, stocks physically deposited with HKSCC by the Investor Participant which are not yet ~~re~~-registered into the name of HKSCC's nominee and are not yet credited to the Participant's Stock Account, such stocks are not available for settlement or withdrawal but in respect of which nominee services in CCASS will generally be provided; and

- 1.2 The terms and expressions used herein shall have the same meaning as in the Rules unless a meaning has been specifically ascribed to them herein. A copy of the Rules and the Operational Procedures is available on the HKEX website for perusal at the Customer Service Centre. Such Rules and Operational Procedures may be purchased by Investor Participants at such fee as may be specified by HKSCC from time to time.

### **5. HKSCC services and facilities available to Investor Participant**

### **6. Operation of Stock Account**

- 6.1 Subject to clause 7, an Investor Participant's Stock Account may be credited with Eligible Securities in registered form:-

- (i) physically deposited by the Investor Participant into CCASS in accordance with clause 7, subject, where applicable, to ~~re~~-registration in the name of HKSCC's nominee;

## **7. Physical deposit of Eligible Securities into CCASS**

- 7.1 Subject to these Terms and Conditions, HKSCC may accept Eligible Securities in certificated form from an Investor Participant or ~~direct from the~~ issuers of Eligible Securities (or their agents or representatives) for deposit into the Stock Account of the Investor Participant.
- 7.2 All Eligible Securities in registered form deposited for credit into the Investor Participant's Stock Account must be registered in the name of the Investor Participant or HKSCC's nominee before they will be accepted for deposit into CCASS. The original ~~share~~ certificates must be submitted to the CCASS Depository (specified by HKSCC) and must be accompanied by a duly executed and properly stamped instrument of transfer. For the avoidance of doubt, Eligible Securities in registered form deposited for credit by a Joint Individual Investor Participant must be registered in the names of all such individuals or in the name of HKSCC's nominee. Eligible Securities deposited by a Corporate Investor Participant must also be accompanied by a certified copy of its board resolution or any other documents as may be required by HKSCC authorising the ~~re~~-registration of the Eligible Securities in the name of the Nominee.
- 7.3 Notwithstanding instructions to the contrary, HKSCC shall, in respect of Eligible Securities in registered form deposited with the CCASS Depository by an Investor Participant, submit such Eligible Securities for registration ~~or re-issue~~ in the name of HKSCC's nominee and either (i) the issue of new certificates by the relevant securities registrar, or (ii) the conversion of the securities into uncertificated form, as applicable. No immediate credit of the Eligible Securities is made to the Stock Account of the Investor Participant upon deposit in accordance with clause 7.2. Such Eligible Securities will only be credited to the Stock Account of the Investor Participant at such other time as the registration or ~~re~~-issuance of new title instruments of such Eligible Securities in the name of HKSCC's nominee has been effected or at such time as HKSCC determines it would be in the interests of HKSCC to do so. In normal circumstances, and by way of guidance only, deposited securities will be credited into the Investor Participant's Stock Account within twelve Business Days provided that there are no rejections by the applicable registrars or the applicable Depositories.

7.7a For the avoidance of doubt, deposits of participating securities in uncertificated form into CCASS is not available to Investor Participants. Investor Participants should refer to the relevant sections of the Rules and Operational Procedures, particularly Rules 801B and Section 7.2.5A of the Operational Procedures, for details.

## **8. ~~Physical W~~withdrawal of ~~S~~securities from CCASS**

- 8.1 Subject to these Terms and Conditions, an Investor Participant may withdraw Eligible Securities (other than participating securities) in certificated form~~physical securities~~ from CCASS against the credit balance in its Stock Account, by submitting to HKSCC a completed and duly signed (stamped with the company chop, if applicable) prescribed withdrawal form at the Customer Service Centre or a duly completed withdrawal form electronically via CCASS Internet System for processing by HKSCC. The prescribed withdrawal form submitted to HKSCC at the Customer Service Centre must

be signed by the Investor Participant and in the case of a Joint Individual Investor Participant, any one individual member comprising the Participant must sign. Certificates ready for collection may be collected by the Investor Participant or a person authorised by the Investor Participant from the ~~CCASS Depository~~ Customer Service Centre within two Business Days. Securities will be debited from the Investor Participant's Stock Account immediately upon receipt of a withdrawal instruction by HKSCC.

- 8.2 Unless otherwise agreed by HKSCC, withdrawal of Eligible Securities in registered form by an Investor Participant from CCASS shall be in Board Lots or such other denominations as HKSCC may specify for an Eligible Security from time to time. For the avoidance of doubt, the Investor Participant cannot physically withdraw from CCASS Eligible Securities which are ~~uncertificated~~ scripless or issued in global form unless otherwise determined by HKSCC or provided in the Rules.
- 8.3 In the case of registered securities, the Investor Participant shall be responsible to promptly cause the securities withdrawn from its Stock Account to be registered in its own name and, in any event, before the next book-close date. HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC shall not be liable nor shall it be obliged to entertain any claim for any loss or non-receipt of any dividends or other distributions made by the issuer or the Depository in respect of any securities withdrawn from the Stock Account.
- 8.4 If any entitlement distribution in relation to Eligible Securities withdrawn from CCASS remain unclaimed at the end of seven years from the first date upon which such distribution shall be made available, all rights of the Investor Participant in respect thereof shall be extinguished and HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC shall be entitled to use the same in such manner as it thinks fit. Any claims for unclaimed distributions during the seven year period shall follow such procedures as may from time to time be prescribed by HKSCC and shall be subject to an administrative charge. Investor Participant should refer to Section 8.22 of the Operational Procedures for procedures relating to claims for unclaimed entitlements.
- 8.5 HKSCC does not guarantee title to any Foreign Security which is evidenced by any certificate which is physically withdrawn on the instructions of an Investor Participant and is ~~re~~-registered in the name of the Investor Participant.
- 8.6 Physical withdrawal of Uncertificated Eligible Securities from the CCASS Depository is not available.
- 8.7 For the avoidance of doubt, withdrawal of participating securities from the CCASS Depository is not available to Investor Participants except where: (i) they are in the process of delisting as defined in Rule 2(2) of the USM Rules; or (ii) the Commission has granted an exemption from Rule 30 of the USM Rules pursuant to Rule 32 of the USM Rules, and subject to any procedure that HKSCC may prescribe from time to time. Investor Participants should refer to the relevant sections of the Rules, particularly Rules 812A and Section 7.2.5A of the Operational Procedures for more information.

## 10. Copies of Corporate Communication

10.1 Unless otherwise notified by the Investor Participant, HKSCC shall be authorized to provide the issuer or the Depository of an Eligible Security or its agent with the Investor Participant's name ~~and~~, correspondence address or email address to facilitate the direct distribution of copies of corporate communications to the Investor Participant by the issuer. HKSCC shall be entitled to from time to time upon the written request of an issuer or a Depository of an Eligible Security disclose to that issuer or Depository details of the holdings in CCASS of an Investor Participant in such Eligible Security in accordance with the Rules.

**31. General**

31.6 The service hours of the Customer Service Centre are between 9:00 a.m. and ~~6~~5:00 p.m., Monday to Friday (except public holidays) ~~;~~ (or such times as HKSCC may determine from time to time) ~~;~~

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