

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

Rules of the Exchange

CHAPTER 5

TRADING

Operational Trading Rules

Fees

534. (1) ~~[Repealed]~~
- (2) ~~[Repealed]~~
- (3) ~~Exchange Participants may impose charges in respect of the handling of the registration of share certificates at a rate of \$2 per board lot or part thereof. [Repealed]~~
- (4) ~~[Repealed]~~

Delivery and Settlement

General Provisions

- 552A. ~~Scripts and transfer deeds~~ Securities should be delivered in such manner as prescribed by the Board from time to time. All deliveries shall be in board lot unless otherwise agreed by the contracting parties.
553. ~~[Repealed]~~ ~~It is the duty of the selling Exchange Participant to see that:-~~
- (1) ~~the instrument of transfer is correctly stamped in accordance with the Stamp Duty Ordinance; and~~
- (2) ~~the transferor's signature is duly witnessed and the transferor's name (with Chinese characters where necessary), the number of shares and the certificate numbers of the share certificate being transferred are correctly stated on the instrument of transfer.~~
554. A selling Exchange Participant is responsible for good delivery including the

responsibility for:-

- (a) passing good title to the securities to a transferee;
- (b) delivery of the ~~share scrip securities~~ together with all necessary documents including, if applicable, the relevant instrument(s) of transfer duly executed by the transferor and bearing the endorsement as required by the Stamp Duty Ordinance or as otherwise provided by law; and
- (c) the securities being freely transferrable and if in registered form capable of being registered, ~~re-registered or re-issued~~.

554A. In the event of any defective transfer whereby a transferee, due to no fault of his or its own, is:-

- (a) unable to effect registration, ~~re-registration or re-issuance~~ of a transfer of the securities purported to be transferred by a transferor, if title instrument is used, under the relevant ~~instrument(s) of transfertitle instrument~~ for any reason whatsoever including any defect in the relevant instrument(s) of transfer or in the title to the securities;
- (b) following registration, ~~re-registration or re-issuance~~ of a transfer of securities found, not to have good title to such securities;

then in any such event a selling Exchange Participant shall take all steps necessary to correct such defective transfer within seven (7) days of the receipt of notice of such defective transfer from a transferee or the Exchange. The selling Exchange Participant shall further be responsible for any and all costs and expenses associated therewith including any losses suffered by a transferee as a result of a selling Exchange Participant's failure to comply with the responsibilities prescribed in Rule 554. For the avoidance of doubt, a selling Exchange Participant shall, notwithstanding the fact that a transferee may also be partially at fault, continue to have the responsibilities specified in Rule 554.

555. (1) Delivery of scrips and payment must be effected between 9:30 a.m. and 3:45 p.m. on the second trading day following the date of the transaction. Provided that if the transaction is made on the day preceding the first date of ex-all quotation of the securities, delivery and payment must be effected between 9:30 a.m. and 12:00 noon on the second trading day following the date of the transaction. If the selling Exchange Participant is unable to complete the delivery in time, it shall be responsible for the dividends, bonuses or any other rights so entitled.
- (2) Payment must be effected to the selling Exchange Participant as and when the selling Exchange Participant delivers the scrips within the times specified in Rule 555(1) to effect settlement. The Exchange Participants which are parties to

a transaction may by mutual agreement effect delivery and payment earlier than specified in Rule 555(1) and in which case the agreed time or day shall be binding on the Exchange Participants.

- (3) For the purposes of delivery and payment, the eves of Christmas, New Year and Lunar New Year shall not count as trading days.

RMB Trading Support Facility

The TSF

- 563F. Rules 563F to 563S which relate to the TSF are binding on Exchange Participants which have been registered as TSF Exchange Participants.

HKSCC may, as TSF operator, provide FX Services to TSF Participants for the purpose of facilitating the purchase and sale of TSF Stocks traded on the Exchange based on the following principles:

- (5) TSF Stocks purchased with the support of the TSF shall be earmarked as such; held in specially designated accounts of TSF CCASS Participants as prescribed by the HKSCC Rule; and be subject to restrictions on transfer to other accounts and withdrawal ~~s of share certificates~~ from CCASS;

Settlement under CCASS

574. (a) All the Rules in Chapter 5 shall apply to transactions settled through the CNS System except Rules 552A to 556, 558, 559, 560, 562, 563A; and 563B ~~and 571(2)~~.
- (b) All the Rules in Chapter 5 shall apply to transactions settled through the Isolated Trades System except Rules 552A, 553, 555, 556, 558, 560, 562, 563A; and 563B ~~and 571(2)~~.

Options Exchange Participants

576. Notwithstanding Rule 106, the following Rules will not apply to an Exchange Participant in relation to its Exchange Traded Options Business:-

Rules 501 to 511
Rules 514, 516 and 517
Rules 517B, 518, 518A and 518B
Rules 520 to 530
Rules 544(1) and 544(2)
Rules 552A to 556
Rules 558 to 562

Rules 563A and 563B

Rule 567

Rules 57~~1~~² to 573

Rule 574(b).

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