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## Section 17

### Suspension of Services

#### 17.1 GENERAL

Under the Rules, if in the opinion of HKSCC the functioning of CCASS or the services and facilities that it provides in relation to China Connect Securities or the settlement and/or clearance of Foreign Securities held by an Appointed Depository is or is likely to be impaired by any event or circumstances, HKSCC may suspend the whole or any part of the operations of CCASS and the CCASS Depository or the services and facilities available thereunder to Participants, for such duration as it sees fit.

In the event of any situation arising which warrants action, HKSCC may suspend its operation and may also change the operational and service schedule as described in Section 6.

This Section explains in some detail the procedures which HKSCC will adopt when a Typhoon Signal No. 8 or above is hoisted or lowered or when a Black Rainstorm Warning is issued or cancelled by the Hong Kong Observatory. In other similar cases, HKSCC will notify Participants, Designated Banks, the China Connect Clearing Houses, the Exchange and the Commission in relation to any action or procedures to be adopted, in the event HKSCC decides to suspend CCASS services or facilities or any other service or facility relating to China Connect Securities or the settlement and/or clearance of Foreign Securities held by an Appointed Depository.

#### 17.2 TYPHOONS

##### 17.2.1 General principles

In general, in the event that a Typhoon Signal No. 8 or above is hoisted on any Business Day at or after 9:00 a.m., all CCASS and CCASS Depository services and facilities in relation to Eligible Securities other than China Connect Securities available to Participants other than Investor Participants will be terminated by HKSCC within fifteen minutes except as provided below.

- (i) the SI, ATI, STI upload functions will continue to be available for use in accordance with their normal service hours;
- (ii) the maintenance functions of and relating to SIs, ISIs, ATIs, STIs, DIs, Multi-counter Transfer Instructions, Parallel Trading Conversion Instructions and Cash Prepayment Instructions will continue to be available for use within one hour after the hoisting and will be terminated thereafter;
- (iii) the SI, ISI, ATI, STI, Cash Prepayment Instruction and Intra-day Payment Summary enquiry functions, Enquire Broadcast Message function and such other enquiry functions as HKSCC may from time to time specify will continue to be available for use in accordance with their normal service hours;
- (iv) the maintenance functions of and relating to Collateral Security batch upload and

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enquiry functions on collateral account balance and movements will continue to be available for use in accordance with their normal service hours; and

- (v) various statements and reports will continue to be available for retrieval and printing in accordance with their normal service hours.

In general, in the event that a Typhoon Signal No. 8 or above is hoisted on any Business Day at or after 9:00 a.m., all CCASS services and facilities in relation to China Connect Securities available to Participants will be terminated by HKSCC within fifteen minutes except as provided below.

- (i) the SI, ATI, STI upload functions will continue to be available for use in accordance with their normal service hours;
- (ii) the maintenance functions of and relating to SIs, ATIs, STIs, DIs, Cash Prepayment Instructions, SPSA Delivery Failure and Nominee-related instructions will continue to be available for use in accordance with their normal service hours;
- (iii) the SI, ATI, STI, Cash Prepayment Instruction, Sellable Balance Adjustment Request and Intra-day Payment Summary enquiry functions, Enquire Broadcast Message function and such other enquiry functions as HKSCC may from time to time specify will continue to be available for use in accordance with their normal service hours; and
- (iv) various statements and reports will continue to be available for retrieval and printing in accordance with their normal service hours.

In general, in the event that a Typhoon Signal No. 8 or above is hoisted on any Business Day, CCASS services and facilities available to Investor Participants via the CCASS Phone System and the CCASS Internet System will continue to be available for use in accordance with their normal service hours. However, ISI (without affirmation) and the subscription instructions input and ISI (with affirmation) affirmed during the period when a Typhoon Signal No. 8 or above is hoisted will only be processed by CCASS after the Signal is lowered and when normal CCASS and CCASS Depository services and facilities resume. If a Typhoon Signal No. 8 or above is hoisted on a Business Day at the time when CCASS Depository services and Customer Service Centre service for Investor Participants are available, such services will be terminated by HKSCC within fifteen minutes.

Notwithstanding the foregoing, HKSCC has the discretion to extend the time of access to or termination of any CCASS and CCASS Depository services and facilities to such times and on such terms as it may from time to time specify. Provided that if the Signal is lowered at or before 12:00 noon, normal CCASS and CCASS Depository services will resume two hours thereafter. If the Signal is still hoisted at 12:00 noon, no CCASS and CCASS Depository services or facilities or access to CCASS will be available on that day except those provided in this Section or otherwise specified by HKSCC.

The procedures adopted by HKSCC in relation to typhoons are generally in line with those of the Exchange.

#### **17.2.2 Back-Up Centre and Customer Service Centre**

The services and facilities of the Back-Up Centre and Customer Service Centre will normally cease fifteen minutes after a Typhoon Signal No. 8 or above is hoisted on a Business Day and will normally resume two hours after the Signal is lowered at or before

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12:00 noon. If the Signal is still hoisted at 12:00 noon on a Business Day, no CCASS services or facilities will be available on that day.

### **17.2.3 CCASS Terminals, Participant Gateways, the CCASS Phone System and the CCASS Internet System**

Except for the services provided in Section 17.2.1 or otherwise specified by HKSCC, CCASS Terminals and Participant Gateways will normally cease to be available for use by Participants fifteen minutes after a Typhoon Signal No. 8 or above is hoisted and operations will normally resume two hours after the lowering of the Signal, if it takes place at or before 12:00 noon on a Business Day (or 9:00 a.m., on a Saturday). If a Typhoon Signal No. 8 or above is still hoisted at 12:00 noon (or 9:00 a.m., on a Saturday), no CCASS services or facilities will be available to Participants other than Investor Participants on that day except those provided in Section 17.2.1 or otherwise specified by HKSCC.

Unless otherwise specified by HKSCC, the CCASS Phone System and the CCASS Internet System will continue to be available for use by Investor Participants in accordance with their normal service hours. However, ISI (without affirmation) and the subscription instructions input and ISI (with affirmation) affirmed by Investor Participants during the period when a Typhoon Signal No. 8 or above is hoisted will only be processed by CCASS after the Signal is lowered and when normal CCASS and CCASS Depository services and facilities resume.

Unless otherwise specified by HKSCC, access to SSA with Statement Service in CCASS via the CCASS Phone System and the CCASS Internet System will continue to be available to SSA Statement Recipients in accordance with the normal service hours.

However, STI (with affirmation) affirmed by SSA Statement Recipients during the period when a Typhoon Signal No. 8 or above is hoisted will only be processed by CCASS after the Signal is lowered and when normal CCASS and CCASS Depository services and facilities resume.

### **17.2.4 Depository services**

The services and facilities of the CCASS Depository will normally cease fifteen minutes after a Typhoon Signal No. 8 or above is hoisted and will normally resume two hours after the Signal is lowered at or before 12:00 noon on a Business Day. If a Signal is still hoisted at 12:00 noon on a Business Day, there will be no CCASS Depository services for the day and no deposits or withdrawals can be made into or out of the CCASS Depository.

### **17.2.5 Nominee services**

Nominee and similar services available to Participants other than Investor Participants will normally cease fifteen minutes after a Typhoon Signal No. 8 or above is hoisted and will normally resume two hours after the Signal is lowered at or before 12:00 noon on a Business Day. If the Signal is still hoisted at 12:00 noon on a Business Day, no such nominee or similar services will be provided by HKSCC for that day.

Nominees and similar services available to Investor Participants via the CCASS Phone System and the CCASS Internet System will continue to be available for use by Investor Participants in accordance with their normal service hours after a Typhoon Signal No. 8 or above is hoisted. However, the subscription instructions input during the period when the Signal is hoisted will only be processed by CCASS after it is lowered and when normal CCASS and CCASS Depository services and facilities resume.

Voting services available to SSA Statement Recipients for the account of Clearing Participants or Custodian Participants via the CCASS Phone System and the CCASS Internet System will continue to be available for use by SSA Statement Recipients for the account of Participants in accordance with their normal service hours after a Typhoon Signal No.8 or above is hoisted.

If a Typhoon Signal No. 8 or above is hoisted at any time between 8:00 a.m. and 9:00 a.m. on a Business Day, any nominee-related instructions other than Electronic Application Instructions for New Issue Shares and Tender Instructions already inputted by Participants and SSA Statement Recipients for the account of Clearing Participants or Custodian Participants at any time before 9:00 a.m. on the day will not be recognized or accepted by HKSCC and Participants and SSA Statement Recipients will have to re-input such instructions upon resumption of the nominee services.

In relation to China Connect Securities, if a Typhoon Signal No. 8 or above is issued before 9:00 a.m. and remains hoisted at 12:00 noon on a Business Day, and if such day falls on the deadline stipulated by HKSCC to collect any nominee-related instructions from Participants, Participants are required to submit manual instructions to HKSCC in order to participate in the relevant corporate actions. Such manual instructions have to be given in the manner as determined by HKSCC announced through Broadcast Messages.

In relation to China Connect Securities, if a Typhoon Signal No. 8 or above is hoisted on any Business Day such that no clearing services of the Clearing House of HKAB for any Eligible Currency will be available with respect to CCASS money settlement instructions, and if such day falls on the deadline stipulated by HKSCC to collect any subscription instructions in respect of a rights issue, Participants which have submitted their subscription instructions should place HKSCC in funds by 10:30 a.m. on the next Business Day together with proof of payment (such as the bank pay-in slip with details of the relevant Participant, including its Participant ID, the relevant stock code and the subscription money paid). Failure to place HKSCC in funds by 10:30 a.m. on the next Business Day may result in HKSCC not giving effect to such subscription instructions.

In relation to Eligible Securities listed on the Exchange which are subject to book-close dates or record date without book closure, the last registration day (and the latest time) before book-close or record date to submit Eligible Securities for registration to qualify for corporate entitlements may be extended in certain circumstances and accordingly, the latest time by which Participants may deposit Eligible Securities into CCASS to qualify for the relevant corporate entitlements through CCASS may also be extended (as well as the period during which no further deposits or withdrawals of relevant Eligible Securities will be allowed). The position in general is explained further below :

- (i) if a Typhoon Signal No. 8 is lowered between 9:00 a.m. and 12:00 noon on the last registration day before book-close or record date (or in the case of Debt Securities in bearer form, on the CCASS Record Date imposed by HKSCC), the latest time for submission of relevant Eligible Securities for registration will, under the Exchange's Listing Rules, be extended from 4:00 p.m. to 5:00 p.m. In such a case, the time limit for deposits and withdrawals of relevant Eligible Securities by Participants will also be extended from the normal 12:00 noon to 2:30 p.m. on that day (i.e. the last registration day before book-close or record date, or the CCASS Record Date imposed by HKSCC, as the case may be);
- (ii) if a Typhoon Signal No. 8 or above is hoisted between 3:00 p.m. and 4:00 p.m. on the last registration day before book-close or record date (or in the case of Debt Securities in bearer form, on the CCASS Record Date imposed by HKSCC) but lowered at or

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before 9:00 a.m. on the next Business Day, then under the Exchange's Listing Rules, the latest time for submission of relevant Eligible Securities for registration will be extended to 12:00 noon on the following Business Day (or 5:00 p.m., if the Signal is only lowered between 9:00 a.m. and 12:00 noon on that following Business Day). In such a case, the normal CCASS deadline of 12:00 noon for deposit and 2:00 p.m. for withdrawal on the original last registration day before book-close or record date (or on the CCASS Record Date imposed by HKSCC, as the case may be) for the purpose of participating in relevant corporate entitlements through CCASS will remain but no deposits or withdrawals of relevant Eligible Securities into or out of CCASS will be allowed until 12:00 noon on the following Business Day (or for the rest of the following Business Day, if the Typhoon Signal No. 8 is lowered between 9:00 a.m. and 12:00 noon on that day); and

- (iii) in other cases where under the Exchange's Listing Rules the last registration day before book-close or record date (or in the case of Debt Securities in bearer form, the CCASS Record Date imposed by HKSCC) is extended to 4:00 p.m. on the following Business Day, the normal CCASS deadline of 12:00 noon for deposit and 2:00 p.m. for withdrawal on the original last registration day before book-close or record date (or on the CCASS Record Date imposed by HKSCC, as the case may be) for the purpose of participating in relevant benefits entitlements through CCASS will also be extended to 12:00 noon on that following Business Day and, thereafter for the rest of that day, no further deposits and withdrawals of Eligible Securities into or out of CCASS will be allowed.

In relation to the giving of instructions by Investor Participants and electronic instruction inputs by Participants other than Investor Participants which are subject to stipulated deadlines, if at any time before the deadline on the last day for giving or inputting instructions by Participants, a Typhoon Signal No. 8 or above is hoisted, the original deadline for giving or inputting such instructions may, at the sole discretion of HKSCC be extended. In such case, HKSCC shall notify Participants as to such extension through the Broadcast Message function via CCASS Terminals and Participant Gateways and through the CCASS Phone System and the CCASS Internet System.

In relation to Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, if at any time before the deadline on the last day for inputting Tender Instructions by Participants, a Typhoon Signal No. 8 or above is hoisted, the deadline for inputting such Tender Instructions may, at the sole discretion of HKSCC, be extended beyond the original deadline on that day. In such case, HKSCC shall notify Participants as to such extension through the Broadcast Message function via CCASS Terminals and Participant Gateways and through the CCASS Phone System and the CCASS Internet System.

Late instructions given or inputted by a Participant will result in such Participant not receiving nominee services provided by HKSCC in relation to the corporate actions or activities concerned.

In relation to corporate activities from which receivable items regarding interest accruing to Eligible Debt Securities (except Exchange Fund Notes, Government Bonds, Specified

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Instruments and CMU Instruments) will be generated, the following procedures will usually apply:

- (i) if a Typhoon Signal No. 8 or above remains hoisted at any time between 9:00 a.m. and 12:00 noon on any Business Day which is between the last registration day before book-close or record date and the interest payment day (or at a date which is between the CCASS Record Date imposed by HKSCC for the determination of interest entitlement and the interest payment day), the related interest receivables may be adjusted with reference to the announcements made by the Debt Securities issuers; and
- (ii) if a Typhoon Signal No. 8 or above remains hoisted at any time between 9:00 a.m. and 12:00 noon on a Business Day, the interest receivables in relation to Debt Securities conversion/redemption instructions input on the Business Day next preceding the typhoon day may be adjusted according to the interest amount to be distributed by the Debt Securities issuers.

In relation to Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, if a Typhoon Signal No. 8 or above is hoisted at any time on the interest payment date or redemption date as specified by HKMA or the issuer of the Specified Instruments or the issuer of the CMU Instruments or the arranger of their issue (as the case may be), the payment of interest or, as the case may be, redemption monies plus interest will be made on the Business Day immediately succeeding the interest payment date or, as the case may be, redemption date which will then be deemed to be the interest payment date or redemption date, as the case may be. All subsequent interest payment and redemption dates for the issue will remain unchanged. Interest payable will, subject to its being so adjusted by the HKMA or the relevant issuer of the Specified Instruments or the relevant issuer of the CMU Instruments or the arranger of their issue (as the case may be), be adjusted to include interest accrued during the period from the originally expected date of payment to the actual date of payment.

In relation to subscription instructions and Tender Instructions of Investor Participants which are pending Designated Banks' confirmation that any DDIs relating thereto cannot be effected and such confirmation is delayed or affected as a result of a Typhoon Signal No. 8 or above being hoisted, the following procedures will usually apply:

- (i) if the tender day or expiry day or the last registration day before book-close or record date falls on the Business Day of resumption of CCASS services, HKSCC reserves the right not to give effect to the relevant instructions. However, if HKSCC effects the instructions on the same day, HKSCC shall be entitled to withhold the distribution of the entitlements until it has received sufficient monies for such purposes. Without prejudice to any rights it may have at law, HKSCC shall be entitled to sell or apply the securities or cash subscribed for by HKSCC to cover any shortfall and any administrative costs of HKSCC; and
- (ii) if the expiry day or the last registration day before book-close or record date falls on a day after the Business Day of resumption of CCASS services, HKSCC will cause subscription to be made on the Business Day following the day of receipt of Designated Bank confirmation that the DDIs concerned are not rejected.

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In relation to Electronic Application Instructions for New Issue Shares affected as a result of a Typhoon Signal No. 8 or above being hoisted, the following procedures will usually apply:

- (i) if the Signal remains hoisted at 12:00 noon on a Business Day (or 9:00 a.m. on a Saturday) which is not a last application day or last confirmation day, all Electronic Application Instructions for New Issue Shares that have been successfully inputted by Investor Participants through the CCASS Phone System or the CCASS Internet System or at the Customer Service Centre, and by Participants (other than Investor Participants) through CCASS Terminals on that day will be maintained and treated as if they were input on the next Business Day; and
- (ii) if a Typhoon Signal No. 8 or above is in force at any time between 9:00 a.m. and 12:00 noon on a Business Day which is a last application day or last confirmation day, the last application day or last confirmation day will be postponed (unless otherwise decided by the relevant Issuer) to the next Business Day which does not have such typhoon signal in force at any time between 9:00 a.m. and 12:00 noon or such other day as specified by the relevant Issuer. If the last application day or last confirmation day is postponed, the deadline for application on the last application day will remain at 12:00 noon unless otherwise specified by the relevant Issuer, and the deadline for confirmation on the last confirmation day will remain at the time specified by the relevant Issuer unless otherwise decided by such Issuer.

#### **17.2.6 Clearing and settlement of Exchange Trades**

If a Typhoon Signal No. 8 or above is hoisted before 9:00 a.m. and is not lowered at 12:00 noon on a Business Day, that day will not be treated as a Settlement Day for the purpose of determining the date of settlement of Exchange Trades under a T+2 settlement system. Otherwise, it will still be treated as a Settlement Day notwithstanding the fact that part of the day may have been affected by a typhoon.

The issue of outstanding PCSs by HKSCC to Clearing Participants and Clearing Agency Participants in respect of a Business Day's Exchange Trades will take place as soon as practicable following the resumption of CCASS services.

In relation to Exchange Trades where counterparty Exchange Participants have not had any opportunity to effect Trade Amendments, where trading resumes during the morning trading session (as specified in the Exchange Rule 501(1)) on the Exchange, Trade Amendments will be allowed on that day as announced by the Exchange and FCSs (giving details of relevant Trade Amendments) will be issued in accordance to Section 6.2. Where trading resumes during the afternoon trading session (as specified in the Exchange Rule 501(1)) on the Exchange, Trade Amendments will be allowed until 3:00 p.m. that day in accordance with Exchange Rules and FCSs will normally be issued by HKSCC two hours thereafter on that day.

In relation to settlement under the CNS System and the Isolated Trades System, the date of "delivery" by Clearing Participants to effect settlement of stock positions may be postponed as a result of a day not being counted as a Settlement Day and any measures which will be taken by HKSCC as a result of late deliveries or defaults may be postponed accordingly. In addition, accrued interest of affected Debt Securities positions may be adjusted by HKSCC to cover the deferred period. In case Debt Securities issuers change last registration day or extend interest period owing to typhoon, or where other circumstances warrant, HKSCC may also adjust the accrued interest in line with market practice. Adjustments will be shown on

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FCSs, Next Settlement Day Due/Overdue Position Reports, Settled Position Reports and Settlement Reports, where applicable.

However, the adoption of risk management measures by HKSCC will not normally be affected by a typhoon except where it will not be possible to implement such measures in the usual way. For instance, Marks, Margin and Collateral on pending and overdue stock positions of a Clearing Participant and Clearing Agency Participants under the CNS System will be determined in the normal way and will be collected unless CCASS money settlement is affected by a typhoon.

#### **17.2.6a Settlement of TSF FX Transactions and Stock Release FX Transactions**

The procedures adopted for clearing and settlement of TSF FX Transactions and Stock Release FX Transactions in relation to typhoons are generally in line with the procedures adopted for Exchange Trades. If a Typhoon Signal No. 8 or above is hoisted before 9:00 a.m. and is not lowered at 12:00 noon on a Business Day, that day will not be treated as a Settlement Day for the purpose of determining the date of settlement of TSF FX Transactions and Stock Release FX Transactions in CCASS. Otherwise, it will still be treated as a Settlement Day notwithstanding the fact that part of the day may have been affected by a typhoon.

As a result of a day not being treated as a Settlement Day as mentioned above, settlement of TSF Final FX Positions pursuant to Section 12A.4, earmarking and de-earmarking of TSF Stocks pursuant to Section 12A.5, settlement of Stock Release FX Transactions pursuant to Section 12A.6, and any measures which will be taken by HKSCC as a result of defaults may be postponed accordingly.

#### **17.2.6b Clearing and settlement of China Connect Securities Trades**

If a Typhoon Signal No. 8 or above is hoisted before 9:00 a.m. and is not lowered at 12:00 noon on a Business Day, that day will not be treated as a Settlement Day for China Connect Securities Trades under a T-day settlement system. Otherwise, it will still be treated as a Settlement Day notwithstanding the fact that part of the day may have been affected by a typhoon.

Notwithstanding the above, the adoption of risk management measures by HKSCC will not normally be affected by a typhoon except where it will not be possible to implement such measures in the usual way. For instance, Marks, Mainland Settlement Deposit, Mainland Security Deposit and Collateral on stock positions in China Connect Securities of a China Connect Clearing Participant for each China Connect Market under the CNS System will be determined in the normal way and will be collected unless CCASS money settlement is affected by a typhoon.

#### **17.2.7 Clearing and settlement of Transfer Instructions**

If a Typhoon Signal No. 8 or above is hoisted before 9:00 a.m. and is not lowered at 12:00 noon on a Business Day, no clearing and settlement of Transfer Instructions between Participants and Recognized Dealers or between Participants and CMU Members will be provided by HKSCC.

If a Typhoon Signal No. 8 or above is hoisted at any time between 9:00 a.m. and 12:00 noon



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on a Business Day, clearing and settlement of Transfer Instructions between Participants and Recognized Dealers or between Participants and CMU Members will be terminated by HKSCC within fifteen minutes. Participants will have to re-submit all Transfer Instruction Forms submitted by Participants on such a day on the next Business Day.

#### **17.2.8 Clearing of ISIs/SIs**

If a Typhoon Signal No. 8 or above is hoisted at or after 9:00 a.m. on any Business Day, the matching of SIs will continue to be processed in CCASS by HKSCC in accordance with the usual schedule, notwithstanding the fact that Participants may no longer have access to further CCASS services except those provided in Section 17.2.1 or otherwise specified by HKSCC as a result of a typhoon.

In other words, even if some of the CCASS services are to cease as a result of a Typhoon Signal No. 8 or above being hoisted at or after 9:00 a.m., the matching of SIs will still be carried out in CCASS.

If a Typhoon Signal No. 8 or above is hoisted between 7:15 a.m. and 9:00 a.m. and is not lowered at 12:00 noon on any Business Day, Participants are responsible at the time of the resumption of CCASS services to review and make appropriate amendments in respect of any ISIs/SIs already input by Participants on the day.

The stipulated settlement dates of SI Transactions and ISI Transactions are not affected by any typhoon.

#### **17.2.8A Stock Transfer of ATIs/STIs**

If a Typhoon Signal No. 8 or above is hoisted between 7:15 a.m. and 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, Clearing Participants and Custodian Participants are responsible at the time of the resumption of CCASS services to review and make appropriate amendments in respect of any ATIs/STIs already input by them on the day.

If any settlement services in CCASS have been in operation on any Business Day, STI Batch-runs will continue to be processed in CCASS by HKSCC in accordance with the usual schedule, notwithstanding the fact that Clearing Participants and Custodian Participants may no longer have access to CCASS services except those provided in Section 17.2.1 or otherwise specified by HKSCC as a result of a typhoon.

#### **17.2.9 Securities settlement**

If any settlement services in CCASS have been in operation on any Business Day, Batch-settlement-runs will continue to be processed in CCASS by HKSCC in accordance with the usual schedule, notwithstanding the fact that Participants other than Investor Participants may no longer have access to CCASS services except those provided in Section 17.2.1 or otherwise specified by HKSCC as a result of a typhoon.

In other words, even if some of the CCASS services are to cease as a result of a typhoon (after commencement of operation on a particular Business Day), Batch-settlement-runs will still be carried out in CCASS, despite the fact that it might not be possible for delivering Participants other than Investor Participants to input DIs to effect settlement.

#### **17.2.10 Money settlement services**

CCASS money settlement facilities in relation to DDIs, DCIs and EPIs are dependent on the availability of the services of the Clearing House of HKAB for the relevant Eligible Currency. Under the current practice, if a Typhoon Signal No. 8 or above is hoisted at or

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before 3:00 p.m. on a Business Day, no clearing services of the Clearing House of HKAB for any Eligible Currency will be available with respect to CCASS money settlement instructions for the rest of the Business Day.

If a Typhoon Signal No. 8 or above is hoisted after 3:00 p.m. on a Business Day, clearing services for the rest of the Business Day of the Clearing House of HKAB for Eligible Currencies will be available as normal with respect to CCASS money settlement instructions.

If the services of the Clearing House of HKAB for the relevant Eligible Currency are available where a Typhoon Signal No. 8 or above is hoisted, HKSCC will generate DDIs, DCIs and EPIs in the usual way. If not, then the day will in effect not be treated as a "Settlement Day" for CCASS money settlement purposes in relation to DDIs, DCIs and EPIs and the following points should be noted:

- (i) HKSCC will generate the relevant DDIs, DCIs and EPIs on a Business Day upon resumption of CCASS money settlement services for processing by the Clearing House of HKAB for the relevant Eligible Currency. Any loss of interest shall be borne by the Participants;
- (ii) no interest or credit charges will be levied by HKSCC in respect of "late" payments by Participants to HKSCC;
- (iii) where CCASS money settlement in relation to DDIs, DCIs and EPIs cannot be effected as scheduled, Participants other than Investor Participants will be informed by HKSCC through the issue of Settlement Reports and Statements of Money Ledger; and
- (iv) accrued interest amount for affected Debt Securities positions arising from Exchange Trades may be adjusted in line with market practice to cover the deferred period due to a Business Day not being treated as a "Settlement Day" for CCASS money settlement purposes as mentioned above. Participants other than Investor Participants will be informed of adjustments in respect of the accrued interest amount (if any) by HKSCC through the issue of FCSs, Next Settlement Day Due/Overdue Position Reports, Settled Position Reports and Settlement Reports, where applicable.

In relation to money settlement services via CPIs and Intra-day Payment Instructions, if a Typhoon Signal No. 8 or above is hoisted before 9:00 a.m. on a Business Day but is lowered at or before 12:00 noon, such services will normally resume two hours after the lowering of the signal. China Connect Clearing Participants are required to fulfill their CNS money obligations in respect of China Connect Securities Trades by 3:00 p.m. or such other time as may be specified by HKSCC upon resumption of CCASS services. No such services will be available for that day if the Signal remains hoisted at 12:00 noon. If a Typhoon Signal No. 8 or above is hoisted at or after 9:00 a.m. on a Business Day, such services will continue to be available as normal. Hence, China Connect Clearing Participants shall fulfill their CNS money obligations in respect of China Connect Securities Trades in accordance with the normal schedule.

In relation to confirmations by Designated Banks of Participants other than Investor Participants in respect of payments by China Connect Clearing Participants pursuant to CPIs issued by HKSCC, if a Typhoon Signal No. 8 or above is hoisted at any time before 9:00 a.m.

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on a Business Day and is lowered at or before 12:00 noon on any Business Day, Designated Banks will have to issue CPI confirmations of payment no later than 3:00 p.m. on such a day.

In relation to confirmations by Designated Banks of Participants other than Investor Participants in respect of payments by or to such Participants pursuant to DDIs, DCIs and/or EPIs issued by HKSCC, if a Typhoon Signal No. 8 or above is hoisted at any time before 9:00 a.m. on a Business Day and is lowered at or before 12:00 noon on any Business Day, any confirmation already given by Designated Banks on the day will be ignored by HKSCC, and Designated Banks will have to issue or re-issue confirmations of payments by and/or to Participants within one hour from the time of resumption of CCASS services on such a day. If a Typhoon Signal No. 8 or above is hoisted at any time before 9:00 a.m. on a Business Day and is not lowered at 12:00 noon on any Business Day, any confirmation already given by Designated Banks on the day will be ignored by HKSCC and Designated Banks are required to issue or re-issue to HKSCC the confirmations no later than the specified time or times on the following Business Day. If a Typhoon Signal No. 8 or above is hoisted at or after 9:00 a.m. on any Business Day, confirmations by Designated Banks of such Participants in respect of payments by and/or to such Participants pursuant to DDIs, DCIs and/or EPIs generated on the previous day for settlement on such Business Day will continue to be issued by the Designated Banks as usual. If (i) a Typhoon Signal No. 8 or above is hoisted at or after 9:00 a.m. on any Business Day and (ii) the Typhoon Signal is lowered at or before 12:00 noon on the same Business Day and CCASS services is resumed two hours thereafter, confirmations by Designated Banks of such Participants in respect of payments by and/or to such Participants pursuant to DDIs, DCIs and/or EPIs generated on the Business Day for settlement on the same day will continue to be issued by the Designated Banks as usual. If a Typhoon Signal No. 8 or above is hoisted after 3:00 p.m. on a Business Day, confirmations by Designated Banks of such Participants in respect of payments by and/or to such Participants pursuant to DDIs, DCIs and/or EPIs generated on such Business Day for settlement on the same day will continue to be issued by the Designated Banks as usual.

In relation to confirmations by Designated Banks of Investor Participants in respect of payments by such Participants pursuant to DDIs and debit EPIs, if a Typhoon Signal No. 8 or above is hoisted at any time before 9:00 a.m. on a Business Day and is lowered at or before 12:00 noon on any Business Day, any confirmation already given by Designated Banks of Investor Participants on the day will be ignored by HKSCC and Designated Banks will have to issue or re-issue confirmations of payments by Investor Participants within the specified time after the time of resumption of CCASS services on such a day. If a Typhoon Signal No. 8 or above is hoisted at any time before 1:00 p.m. on any Business Day, any confirmation already given by Designated Banks of Investor Participants on that day will be ignored by HKSCC and Designated Banks are required to issue or re-issue to HKSCC the confirmations no later than the specified time on the following Business Day.

In relation to cash prepayment for Eligible Securities other than China Connect Securities, if a Typhoon Signal No. 8 or above is hoisted at any time between 8:00 a.m. and 9:00 a.m. and is not lowered by 12:00 noon on a Business Day, any Cash Prepayment Instruction or Cash Prepayment Standing Instruction for an Eligible Security other than a China Connect Security already input by a Clearing Participant or Clearing Agency Participant at any time between 8:00 a.m. and 9:00 a.m. on the day will be ignored by HKSCC and a Clearing Participant or Clearing Agency Participant will have to re-input its Cash Prepayment Instructions and Cash Prepayment Standing Instruction from the time of resumption of the "Cash Prepayment Instruction" and "Cash Prepayment / TSF Payment Standing Instruction" maintenance functions. If the Clearing Participant or Clearing Agency Participant does not re-input its Cash Prepayment Instruction or Cash Prepayment Standing Instruction, any cash prepayment received by HKSCC will be refunded without interest to the Clearing Participant or Clearing

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Agency Participant after receiving written request for repayment supported by evidence of such payment from the Clearing Participant or Clearing Agency Participant.

In relation to cash prepayment for China Connect Securities, if a Typhoon Signal No. 8 or above is hoisted at or after 9:15 a.m. on a Business Day, any Cash Prepayment Instruction input by a China Connect Clearing Participant at any time between 4:00 p.m. and 6:00 p.m. on the day will continue to be processed by HKSCC as usual.

In relation to Intra-day Payment Standing Instruction, if a Typhoon Signal No. 8 or above is hoisted at any time between 8:00 a.m. and 9:00 a.m. and is not lowered by 12:00 noon on a Business Day, any Intra-day Payment Standing Instruction already input by a Participant other than an Investor Participant at any time between 8:00 a.m. and 9:00 a.m. on the day will be ignored by HKSCC, and the Participant will have to re-input its Intra-day Payment Standing Instruction from the time of resumption of the “Intra-day Payment Standing Instruction” maintenance functions. If the Participant does not re-input such Intra-day Payment Standing Instruction, HKSCC will, (i) if there is an Intra-day Payment Standing Instruction of the Participant accepted by HKSCC in CCASS immediately before the input of the Intra-day Payment Standing Instruction that has been ignored as aforesaid, issue an Intra-day Payment Instruction based on that Intra-day Payment Standing Instruction accepted by HKSCC in CCASS on each subsequent Business Day; or (ii) if there is no Intra-day Payment Standing Instruction accepted by HKSCC in CCASS immediately before the input of the Intra-day Payment Standing Instruction that has been ignored as aforesaid, return any Intra-day Payments to the Participant not later than day end via DCI on each subsequent Business Day.

In relation to a Nominee Payment (Evening) Standing Instruction, if a Typhoon Signal No. 8 or above is hoisted at any time between 8:00 a.m. and 9:00 a.m. and is not lowered by 12:00 noon on a Business Day, any Nominee Payment (Evening) Standing Instruction already input by a Participant other than an Investor Participant at any time between 8:00 a.m. and 9:00 a.m. on the day will be ignored by HKSCC, and the Participant will have to re-input its Nominee Payment (Evening) Payment Standing Instruction from the time of resumption of the “Nominee Payment (Evening) Payment Standing Instruction” maintenance functions. If a Nominee Payment (Evening) Standing Instruction has been ignored in the situation as aforesaid and the relevant Participant does not re-input such Nominee Payment (Evening) Standing Instruction as aforesaid, HKSCC will, (i) where there is a Nominee Payment (Evening) Standing Instruction of the Participant accepted by HKSCC in CCASS immediately before the input of the Nominee Payment (Evening) Standing Instruction that has been ignored, effect the evening distribution of cash payments not later than day end via DCI on each subsequent Business Day based on that accepted Nominee Payment (Evening) Standing Instruction; or (ii) where there is no Nominee Payment (Evening) Standing Instruction accepted by HKSCC in CCASS immediately before the input of the Nominee Payment (Evening) Standing Instruction that has been ignored, effect distribution of cash payments at day end via DCI on each subsequent Business Day.

In relation to payments relating to TSF FX Transactions and Stock Release FX Transactions, if a Typhoon Signal No. 8 or above is hoisted at any time between 8:00 a.m. and 9:00 a.m. and is not lowered by 12:00 noon on a Business Day, any TSF Payment Standing Instruction already input and/or authorised by a TSF CCASS Participant at any time between 8:00 a.m.

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and 9:00 a.m. on the day will be ignored by HKSCC and the TSF CCASS Participant will have to re-input and authorise its TSF Payment Standing Instruction upon the resumption of the “Cash Prepayment / TSF Payment Standing Instruction” maintenance functions.

For the avoidance of doubt, a failure of a TSF CCASS Participant to settle any payment relating to any TSF FX Transaction or Stock Release FX Transaction due to the hoisting of a Typhoon Signal No. 8 or above before 3:00 p.m. on a Business Day will not be treated as a failure of the Participant to settle any money position as referred to in Sections 12A.6.4 and 12A.8. Similarly, a failure of a TSF CCASS Participant to comply with any earmarking or de-earmarking obligation due to the hoisting of a Typhoon Signal No. 8 or above before 3:00 p.m. on a Business Day will not be treated as a failure of the Participant to transfer sufficient number of shares to its relevant TSF Account as referred to in Section 12.5.4.

#### **17.2.11 Enquiry services and reprint of reports**

The availability of enquiry services (other than those mentioned in Section 17.2.1) and reprints of reports services to Participants other than Investor Participants will normally cease fifteen minutes after a Typhoon Signal No. 8 or above is hoisted and will normally resume within two hours after the Signal 8 is lowered at or before 12:00 noon on a Business Day. If a Typhoon Signal No. 8 or above is still hoisted at 12:00 noon, no enquiry services will be available on that day.

The enquiry services available to Investor Participants and the access to enquiry functions related to SSA with Statement Service in CCASS by SSA Statement Recipients via the CCASS Phone System and the CCASS Internet System will continue to be available for use in accordance with their normal service hours after a Typhoon Signal No.8 or above is hoisted.

#### **17.2.12 Compulsory Stock Borrowing**

If a Typhoon Signal No. 8 or above is hoisted before 9:00 a.m. and is not lowered by 12:00 noon on a Business Day, that day will not be treated as a Business Day for the purpose of the Compulsory Stock Borrowing and Lending Regulations; including but not limited to the calculation of the time period of HKSCC’s redelivery obligations thereunder.

#### **17.2.13 Buy-in of Eligible Securities other than China Connect Securities on T+3**

HKSCC will grant an exemption from Buy-in to a Clearing Participant or Clearing Agency Participant and will not effect a Buy-in on T+3 on behalf of the Clearing Participant or Clearing Agency Participant in respect of its short stock positions under the CNS System which are outstanding for settlement on the due date (i.e. unsettled after settlement processing on T+2) if a Typhoon Signal No. 8 or above is hoisted on T+2:

- i) between 9:00 a.m. and 12:00 noon and Typhoon Signal No. 8 is not lowered by 12:00 noon on the same day; or
- ii) between 12:00 noon and 15 minutes prior to the commencement of the routine daily final Batch-settlement-run for Eligible Securities other than China Connect Securities as stated under Section 6.2.

For the avoidance of doubt, if Typhoon Signal No. 8 or above remains hoisted on a Business Day after T+2 and Typhoon Signal No. 8 is not lowered at 12:00 noon of that day, that day

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will not be treated as a Settlement Day for the purpose of determining the date of settlement of Exchange Trades under a T+2 settlement system in accordance with Section 17.2.6 and will not be T+3.

The Clearing Participant or Clearing Agency Participant to whom such an exemption from Buy-in is granted shall be obliged to settle all overdue short stock positions of which exemption is granted by day-end of T+3. If such overdue short stock positions of the Clearing Participant or Clearing Agency Participant remain unsettled after settlement processing on T+3, HKSCC shall have the right, but shall not be obliged, to effect a Buy-in in respect of such overdue short stock positions on behalf of the Clearing Participant or Clearing Agency Participant on T+4 (or if it is not practicable to do so on T+4, at any time thereafter) as HKSCC in its absolute discretion considers appropriate.

#### **17.2.14 Buy-in of China Connect Securities on T+1**

HKSCC will not grant exemption from Buy-in to a China Connect Clearing Participant in respect of its short stock positions in China Connect Securities under the CNS System which are outstanding for settlement on the due date (i.e. unsettled after settlement processing on T-day) if a Typhoon Signal No.8 or above is hoisted on the same day which is a Settlement Day for China Connect Securities Trades.

For the avoidance of doubt, if Typhoon Signal No. 8 or above is hoisted on a Settlement Day for China Connect Securities Trades, each China Connect Clearing Participant is required to settle its short stock positions in China Connect Securities on the same day. Unless (i) HKSCC grants an exemption under Section 10A.6.2A or (ii) there is a risk management reason affecting HKSCC which is considered valid by the Risk Management Committee, HKSCC shall have the right, but shall not be obliged, to effect a Buy-in on behalf of the short China Connect Clearing Participant on T+1 (or if it is not practicable to do so on T+1, at any time thereafter) as HKSCC in its absolute discretion considers appropriate up to the outstanding quantity, rounded up to the nearest Board Lot if the quantity is not in full Board Lots, in respect of any short stock positions in China Connect Securities of a China Connect Clearing Participant under the CNS System which are outstanding for settlement on the due date.

### **17.3 RAINSTORMS**

#### **17.3.1 General principles**

In general, in the event that a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day, normal CCASS and CCASS Depository services and facilities available to Participants other than Investor Participants, including those relating to China Connect Securities, will remain available. If a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, normal CCASS and CCASS Depository services and facilities for Participants other than Investor Participants will normally resume two hours after the cancellation of such warning. When a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, no CCASS and CCASS Depository services or facilities, including those relating to China Connect Securities, will be available to Participants other than Investor Participants on that day.

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In the event that a Black Rainstorm Warning is issued, CCASS services available to Investor Participants via the CCASS Phone System and the CCASS Internet System will continue to be available for use by Investor Participants in accordance with their normal service hours. However, if a Black Rainstorm Warning is issued before 9:00 a.m., ISI (with affirmation) and subscription instructions input and ISI (with affirmation) affirmed by Investor Participants during the period when the Black Rainstorm Warning is issued will only be processed by CCASS after the Warning is cancelled and when normal CCASS and CCASS Depository services and facilities resume.

In the event that a Black Rainstorm Warning is issued, access to enquiry functions and voting services by SSA Statement Recipients for the account of Clearing Participants or Custodian Participants in relation to SSA with Statement Service in CCASS via the CCASS Phone System and the CCASS Internet System will continue to be available to SSA Statement Recipients in accordance with the normal service hours.

### **17.3.2 Back-Up Centre and Customer Services Centre**

The services and facilities of the Back-Up Centre and Customer Services Centre will remain available if a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day. If a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, the availability of CCASS services and facilities will normally resume two hours after the cancellation of such warning. When a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, no CCASS services or facilities will be available on that day.

### **17.3.3 CCASS Terminals, Participant Gateways, the CCASS Phone System and the CCASS Internet System**

CCASS Terminals and Participant Gateways will remain available for use by Participants if a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day. If a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day (or 9:00 a.m., on a Saturday), CCASS Terminals and Participant Gateways will normally be available for use two hours thereafter. When a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, no CCASS services or facilities will be available to Participants other than Investor Participants on that day.

The CCASS Phone System and the CCASS Internet System will continue to be available for use by Investor Participants in accordance with their normal service hours if a Black Rainstorm Warning is issued. However, if a Black Rainstorm Warning is issued before 9:00 a.m., the ISI (without affirmation) and the subscription instructions input and ISI (with affirmation) affirmed by Investor Participants during the period when the Black Rainstorm Warning is issued will only be processed by CCASS after the Warning is cancelled and when normal CCASS and CCASS Depository services and facilities resume.

The CCASS Phone System and the CCASS Internet System will continue to be available to SSA Statement Recipients for access to enquiry functions and voting services for the account of Clearing Participants or Custodian Participants in relation to SSA with Statement Service in CCASS in accordance with the normal service hours if a Black Rainstorm Warning is issued. However, if a Black Rainstorm Warning is issued before 9:00 a.m., the STI (with affirmation) affirmed by SSA Statement Recipients during the period when the Warning is issued will only be processed by CCASS after the Warning is cancelled and when normal CCASS and CCASS Depository services and facilities resume.

#### **17.3.4 Depository services**

The services and facilities of the CCASS Depository will remain available if a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day. When a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, CCASS Depository services will normally resume two hours after the cancellation of such warning. When a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, no CCASS Depository services or facilities will be available on that day and no deposits or withdrawals can be made into or out of the CCASS Depository.

#### **17.3.5 Nominee services**

Nominee and similar services for Participants other than Investor Participants will remain available if a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day. If a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, such nominee and similar services will normally resume two hours thereafter. When a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, no such nominee or similar services will be provided by HKSCC for that day.

Nominees and similar services for Investor Participants provided by the CCASS Phone System and the CCASS Internet System will continue to be available for use by Investor Participants in accordance with their normal service hours even if a Black Rainstorm Warning is issued. However, if a Black Rainstorm Warning is issued before 9:00 a.m., the subscription instructions inputted during the period when a Black Rainstorm Warning is issued will only be processed by CCASS after the Warning is cancelled and when normal CCASS and CCASS Depository services and facilities resume.

Voting services for SSA Statement Recipients for the account of Clearing Participants or Custodian Participants provided by the CCASS Phone System and the CCASS Internet System will continue to be available for use by SSA Statement Recipients for the account of Participants in accordance with their normal service hours even if a Black Rainstorm Warning is issued.

If Black Rainstorm Warning is issued at any time between 8:00 a.m. and 9:00 a.m. on a Business Day, any nominee-related instructions other than Electronic Application Instructions for New Issue Shares and Tender Instructions already input by Participants and SSA Statement Recipients for the account of Clearing Participants or Custodian Participants at any time at or before 9:00 a.m. on the day will not be recognized or accepted by HKSCC and Participants and SSA Statement Recipients will have to re-input such instructions upon resumption of the nominee services.

In relation to China Connect Securities, if a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on a Business Day, and if such day falls on a deadline stipulated by HKSCC to collect any nominee-related instructions from Participants, Participants are required to submit manual instructions to HKSCC in order to participate in the relevant corporate actions. Such manual instructions have to be given in the manner as determined by HKSCC announced through Broadcast Messages.

In relation to China Connect Securities, if a Black Rainstorm Warning is issued on any Business Day such that no clearing services of the Clearing House of HKAB for any Eligible Currency will be available with respect to CCASS money settlement instructions, and if such day falls on the deadline stipulated by HKSCC to collect any subscription instructions in



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respect of a rights issue, Participants which have submitted their subscription instructions should place HKSCC in funds by 10:30 a.m. on the next Business Day together with proof of payment (such as the bank pay-in slip with details of the relevant Participant, including its Participant ID, the relevant stock code and the subscription money paid). Failure to place HKSCC in funds by 10:30 a.m. on the next Business Day may result in HKSCC not giving effect to such subscription instructions.

In relation to Eligible Securities listed on the Exchange which are subject to book-close dates or record date without book-closure, the last registration day (and the latest time) before book-close or record date to submit Eligible Securities for registration to qualify for corporate entitlements may be extended in certain circumstances and accordingly, the latest time by which CCASS Participants may deposit Eligible Securities into CCASS to qualify for the relevant corporate entitlements through CCASS may also be extended (as well as the period during which no further deposits or withdrawals of relevant Eligible Securities will be allowed). The position in general is explained further below:

- (i) if a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on the last registration day before book-close or record date, the latest time for submission of relevant Eligible Securities for registration will, as stipulated under the Exchange's Listing Rules, be extended from 4:00 p.m. to 5:00 p.m.. In such case, the time limit for deposits and withdrawals of relevant Eligible Securities by CCASS Participants will also be extended from the normal 12:00 noon to 2:30 p.m. on that day (i.e. the last registration day before book-close or record date);
- (ii) if a Black Rainstorm Warning is issued at or after 9:00 a.m. on the last registration day before book-close or record date, then as stipulated under the Exchange's Listing Rules, the latest time for submission of relevant Eligible Securities for registration will remain at 4:00 p.m. on that day. In such case, the normal CCASS deadline of 12:00 noon on the last registration day before book-close or record date (for the purpose of participating in relevant corporate entitlements through CCASS) will remain; and
- (iii) in other cases where as stipulated under the Exchange's Listing Rules the latest time for submission of the relevant Eligible Securities for registration on the last registration day before book-close or record date is extended to 4:00 p.m. on the following Business Day (where a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on the last registration day), the normal CCASS deadline of 12:00 noon on the original last registration day before book-close or record date (for the purpose of participating in relevant benefits entitlements through CCASS) will also be extended to 12:00 noon on the following Business Day and, thereafter for the rest of that day, no further deposits and withdrawals of relevant Eligible Securities into or out of CCASS will be allowed.

The stipulated deadline for the giving of instructions by Investor Participants and electronic instructions inputted by other Participants shall not normally be affected by the event of a Black Rainstorm Warning except where it will not be possible to implement such deadline. In such case, HKSCC shall notify Participants as to the arrangement through Broadcast Message and through the CCASS Phone System and the CCASS Internet System as soon as practicable.

Late instructions given or inputted by a Participant will result in such Participant not receiving nominee services provided by HKSCC in relation to the corporate actions or activities concerned.

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In relation to corporate activities from which receivable items regarding interest accruing to eligible Debt Securities will be generated, the following procedures will usually apply:

- (i) if a Black Rainstorm Warning remains in effect between 9:00 a.m. and 12:00 noon at a date which is between the last registration day before book-close or record date and the interest payment date (or between the CCASS Record Date imposed by HKSCC for the determination of interest entitlement and the interest payment day), the related interest receivables may be adjusted with reference to the announcements made by the Debt Securities issuers; and
- (ii) if a Black Rainstorm Warning remains in effect between 9:00 a.m. and 12:00 noon on a Business Day, the interest receivables in relation to Debt Securities conversion/redemption instructions input on the Business Day next preceding the rainstorm day may be adjusted according to the interest amount to be distributed by the Debt Securities issuers.

In relation to subscription instructions of Investor Participants which are pending Designated Banks' confirmation that any DDIs relating thereto cannot be effected and such confirmation is delayed or affected by the event of a Black Rainstorm Warning, the following procedures will usually apply:

- (i) if the expiry day or the last registration day before book-close or record date falls on the Business Day of resumption of CCASS services, HKSCC will usually cause subscription to be made on the same day. HKSCC shall be entitled to withhold the distribution of the entitlements until it has received sufficient monies for subscription purposes. Without prejudice to any rights it may have at law, HKSCC shall be entitled to sell or apply the securities or cash subscribed for by HKSCC to cover any shortfall and any administrative costs of HKSCC; and
- (ii) if the expiry day or the last registration day before book-close or record date falls on a day which happens after the Business Day of resumption of CCASS services, HKSCC will cause subscription to be made on the Business Day following the day of receipt of Designated Bank confirmation that the DDIs concerned are not rejected.

In relation to Electronic Application Instructions for New Issue Shares, if a Black Rainstorm Warning is in force at any time between 9:00 a.m. and 12:00 noon on a Business Day which is a last application day or last confirmation day, the last application day or last confirmation day will be postponed (unless otherwise decided by the relevant Issuer) to the next Business Day which does not have such Warning in force at any time between 9:00 a.m. and 12:00 noon or such other day as specified by the relevant Issuer. If the last application day or last confirmation day is postponed, the deadline for application on the last application day will remain at 12:00 noon unless otherwise specified by the relevant Issuer, and the deadline for confirmation on the last confirmation day will remain as specified by the relevant Issuer unless otherwise decided by such Issuer.

If a Black Rainstorm Warning is issued after 9:00 a.m., arrangements for tendering or application for, payment of interest on and redemption of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments will proceed as usual. In the event of a Black Rainstorm Warning being issued before 9:00 a.m., the procedures will

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follow those for typhoons as described above.

### **17.3.6 Clearing and settlement of Exchange Trades**

If a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, that day will not be treated as a Settlement Day for the purpose of determining the date of settlement of Exchange Trades under a T+2 settlement system. Otherwise, it will still be treated as a Settlement Day.

The issuance of PCSs by HKSCC to Clearing Participants and Clearing Agency Participants in respect of a Business Day's Exchange Trades will not be affected by the issuance of a Black Rainstorm Warning.

If a Black Rainstorm Warning is issued at or after 9:00 a.m., and remains in effect at 12:00 noon on any Business Day, that day will be treated as a Settlement Day, notwithstanding the fact that there will be no trading session on the Exchange on that day. Where trading resumes on the following Business Day, Trade Amendments will be allowed on that day as announced by the Exchange and FCSs (giving details of relevant Trade Amendments) will normally be issued in accordance with Section 6.2.

Where trading resumes on the Exchange, Trade Amendments will be allowed on that day by the Exchange until a prescribed time and the latest time is normally set at 3:00 p.m. and FCSs will normally be issued by HKSCC two hours thereafter on that day.

In relation to settlement under the CNS System and the Isolated Trades System, the date of "delivery" by Clearing Participants to effect settlement of stock positions may be postponed as a result of a day not being counted as a Settlement Day and any measures which will be taken by HKSCC as a result of late deliveries or defaults may be postponed accordingly. In addition, accrued interest of affected Debt Securities positions may be adjusted by HKSCC to cover the deferred period. In case Debt Securities issuers change last registration day or extend interest period owing to black rainstorm, or where other circumstances warrant, HKSCC may also adjust the accrued interest in line with market practice. Adjustments will be shown on FCSs, Next Settlement Day Due/Overdue Position Reports, Settled Position Reports and Settlement Reports, where applicable.

However, the adoption of risk management measures by HKSCC will not normally be affected by a Black Rainstorm Warning except where it will not be possible to implement such measures in the usual way.

#### **17.3.6a Settlement of TSF FX Transactions and Stock Release FX Transactions**

The procedures adopted for clearing and settlement of TSF FX Transactions and Stock Release FX Transactions in relation to rainstorms are generally in line with the procedures adopted for Exchange Trades (including TSF Exchange Trades). If a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on a Business Day, that day will not be treated as a Settlement Day for the purpose of determining the date of settlement of TSF FX Transactions and Stock Release FX Transactions in CCASS. Otherwise, it will still be treated as a Settlement Day.

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As a result of a day not being counted as a Settlement Day, settlement of TSF Final FX Positions pursuant to Section 12A.4, earmarking and de-earmarking of TSF Stocks pursuant to Section 12A.5, settlement of Stock Release FX Transactions pursuant to Section 12A.6, and any measures which will be taken by HKSCC as a result of defaults may be postponed accordingly.

#### **17.3.6b Clearing and settlement of China Connect Securities Trades**

If a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, that day will not be treated as a Settlement Day for China Connect Securities Trades under a T-day settlement system.

If a Black Rainstorm Warning is issued at or after 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, that day will be treated as a Settlement Day, notwithstanding the fact that the day may have been affected by rainstorm.

Notwithstanding the above, the adoption of risk management measures by HKSCC will not normally be affected by rainstorm except where it will not be possible to implement such measures in the usual way.

#### **17.3.7 Clearing and settlement of Transfer Instructions**

If a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, no clearing and settlement of Transfer Instructions between Participants and Recognized Dealers or between Participants and CMU Members will be provided by HKSCC.

If a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day, clearing and settlement of Transfer Instructions between Participants and Recognized Dealers or between Participants and CMU Members will be available as normal.

#### **17.3.8 Clearing of ISIs/SIs**

If a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, CCASS services will not be available on that day and there will not be matching of SI's. Otherwise, matching of SI's will be processed in CCASS by HKSCC in accordance with the usual schedule.

If a Black Rainstorm Warning is issued between 7:15 a.m. and 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, Participants that have input ISIs/SIs on that day shall be responsible at the time of the resumption of CCASS services to review and make appropriate amendments to the ISIs/SIs already input.

The stipulated settlement dates of SI Transactions and ISI Transactions are not affected by the issuance of a Black Rainstorm Warning.

#### **17.3.8A Stock Transfer of ATIs/STIs**

If a Black Rainstorm Warning is issued between 7:15 a.m. and 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, Clearing Participants and Custodian Participants that have input ATIs/STIs that day are responsible at the time of the resumption of CCASS services to review and make appropriate amendments to the ATIs/STIs already input.

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If settlement services in CCASS have been in operation at all on any Business Day, STI Batch-runs will continue to be processed in CCASS by HKSCC in accordance with the usual schedule.

### **17.3.9 Securities settlement**

If settlement services in CCASS have been in operation at all on any Business Day, Batch-settlement-runs will continue to be processed in CCASS by HKSCC in accordance with the usual schedule.

### **17.3.10 Money settlement services**

If a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, the services of the Clearing Houses of HKAB for Eligible Currencies, and therefore money settlements, will not be available on that day.

In relation to cash prepayment, if a Black Rainstorm Warning is issued at any time between 8:00 a.m. to 9:00 a.m. and remains in effect at 12:00 noon on a Business Day, any Cash Prepayment Instruction or Cash Prepayment Standing Instruction already input by a Clearing Participant or Clearing Agency Participant at any time between 8:00 a.m. to 9:00 a.m. on the day will be ignored by HKSCC and a Clearing Participant or Clearing Agency Participant will have to re-input its Cash Prepayment Instructions and Cash Prepayment Standing Instruction from the time of resumption of the “Cash Prepayment Instruction” and “Cash Prepayment / TSF Payment Standing Instruction” maintenance functions. If the Clearing Participant or Clearing Agency Participant does not re-input its Cash Prepayment Instruction or Cash Prepayment Standing Instruction, any cash prepayment received by HKSCC will be refunded without interest to the Clearing Participant or Clearing Agency Participant after receiving written request for repayment supported by evidence of such payment from the Clearing Participant or Clearing Agency Participant.

In relation to Intra-day Payment Standing Instructions, if a Black Rainstorm Warning is issued at any time between 8:00 a.m. and 9:00 a.m. and remains in effect at 12:00 noon on a Business Day, any Intra-day Payment Standing Instruction already input by a Participant other than an Investor Participant at any time between 8:00 a.m. and 9:00 a.m. on the day will be ignored by HKSCC and the Participant will have to re-input its Intra-day Payment Standing Instruction from the time of resumption of the “Intra-day Payment Standing Instruction” maintenance functions. If the Participant does not re-input such Intra-day Payment Standing Instruction, HKSCC will, (i) if there is an Intra-day Payment Standing Instruction of the Participant accepted by HKSCC in CCASS immediately before the input of the Intra-day Payment Standing Instruction that has been ignored as aforesaid, issue an Intra-day Payment Instruction based on that Intra-day Payment Standing Instruction accepted by HKSCC in CCASS on each subsequent Business Day; or (ii) if there is no Intra-day Payment Standing Instruction accepted by HKSCC in CCASS immediately before the input of the Intra-day Payment Standing Instruction that has been ignored as aforesaid, return any Intra-day Payments to the Participant not later than day end via DCI on each subsequent Business Day.

In relation to a Nominee Payment (Evening) Standing Instruction, if a Black Rainstorm Warning is issued at any time between 8:00 a.m. and 9:00 a.m. and remains in effect at

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12:00 noon on a Business Day, any Nominee Payment (Evening) Standing Instruction already input by a Participant other than an Investor Participant at any time between 8:00 a.m. and 9:00 a.m. on the day will be ignored by HKSCC and the Participant will have to re-input its Nominee Payment (Evening) Standing Instruction from the time of resumption of the “Nominee Payment (Evening) Standing Instruction” maintenance functions. If a Nominee Payment (Evening) Standing Instruction has been ignored in the situation as aforesaid and the relevant Participant does not re-input such Nominee Payment (Evening) Standing Instruction as aforesaid, HKSCC will, (i) where there is a Nominee Payment (Evening) Standing Instruction of the Participant accepted by HKSCC in CCASS immediately before the input of the Nominee Payment (Evening) Standing Instruction that has been ignored, effect the evening distribution of cash payments not later than day end via DCI on each subsequent Business Day based on that accepted Nominee Payment (Evening) Standing Instruction; or (ii) where there is no Nominee Payment (Evening) Standing Instruction accepted by HKSCC in CCASS immediately before the input of the Nominee Payment (Evening) Standing Instruction that has been ignored, effect distribution of cash payments at day end via DCI on each subsequent Business Day.

In relation to payments relating to TSF FX Transactions and Stock Release FX Transactions, if a Black Rainstorm Warning is issued at any time between 8:00 a.m. and 9:00 a.m. and remains in effect at 12:00 noon on a Business Day, any TSF Payment Standing Instruction already input and authorised by a TSF CCASS Participant at any time between 8:00 a.m. and 9:00 a.m. on the day will be ignored by HKSCC and a TSF CCASS Participant will have to re-input and authorise its TSF Payment Standing Instruction upon the resumption of the “Cash Prepayment / TSF Payment Standing Instruction” maintenance function.

For all situations when a Black Rainstorm Warning is issued at or after 9:00 a.m., both CCASS services and those of the Clearing House of HKAB for Eligible Currencies will be available. Therefore, money settlement will be effected as normal on such day.

If a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day, confirmations by Designated Banks of Participants in respect of payments by or to Participants pursuant to DDIs, DCIs and/or EPIs issued by HKSCC will continue to be issued by Designated Banks as usual.

If a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, any confirmation already given by Designated Banks on the day will be ignored by HKSCC and Designated Banks of Participants other than Investor Participants will have to re-issue confirmations of payments by and/or to such Participants within one hour from the time of resumption of CCASS services on such a day whilst Designated Banks of Investor Participants will have to issue the confirmation of payments by Investor Participants within the specified time after the time of resumption of CCASS services on such a day. However, if a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, any confirmation already given by Designated Banks on the day will be ignored by HKSCC and Designated Banks are required to issue or re-issue to HKSCC the confirmations no later than the specified time or times on the following Business Day.

In relation to money settlement services via CPIs, if a Black Rainstorm Warning is issued before 9:00 a.m. on a Business Day and is cancelled or before 12:00 noon, such services will normally resume two hours after the cancellation of the warning announced by the Hong

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Kong Observatory. China Connect Clearing Participants are required to fulfill their CNS money obligations in respect of China Connect Securities Trades by 3:00 p.m. or such other time as may be specified by HKSCC upon resumption of CCASS services. No such services will be available for that day if the Black Rainstorm Warning remains in effect at 12:00 noon. If a Black Rainstorm Warning is issued at or after 9:00 a.m. on a Business Day, such services will continue to be available as normal. Hence, China Connect Clearing Participants shall fulfill their CNS money obligations in respect of China Connect Securities Trades in accordance with the normal schedule.

In relation to confirmations by Designated Banks of Participants other than Investor Participants in respect of payments by China Connect Clearing Participants pursuant to CPIs issued by HKSCC, if a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, Designated Banks will have to issue CPI confirmations of payment no later than 3:00 p.m. on such a day.

For the avoidance of doubt, if a Black Rainstorm Warning is cancelled at or before 12:00 noon on any Business Day, CCASS services will normally resume two hours after the cancellation of the warning announced by the Hong Kong Observatory. Broadcast Messages will also be issued by HKSCC via CCASS Terminals and Participant Gateways to inform Designated Banks to re-issue confirmations.

#### **17.3.11 Enquiry services and reports**

The enquiry services and retrieval of reports services in CCASS for Participants other than Investor Participants will remain available if a Black Rainstorm Warning is issued at or after 9:00 a.m. on any Business Day. If a Black Rainstorm Warning is issued before 9:00 a.m. and is cancelled at or before 12:00 noon on any Business Day, such services will normally resume two hours thereafter. If a Black Rainstorm Warning is issued before 9:00 a.m. and remains in effect at 12:00 noon on any Business Day, no services will be available on that day.

The enquiry services provided to Investor Participants and the enquiry functions in relation to SSA with Statement Service in CCASS available for access by SSA Statement Recipients via the CCASS Phone System and the CCASS Internet System will continue to be available for use in accordance with their normal services hours even if a Black Rainstorm Warning is issued.

#### **17.3.12 Compulsory Stock Borrowing**

If a Black Rainstorm Warning is issued before 9:00 a.m. and is not cancelled at 12:00 noon on a Business Day, that day will not be treated as a Business Day for the purpose of the Compulsory Stock Borrowing and Lending Regulations; including but not limited to the calculation of the time period of HKSCC's redelivery obligations thereunder.

#### **17.3.13 Buy-in of China Connect Securities on T+1**

HKSCC will not grant exemption from Buy-in to a China Connect Clearing Participant in respect of its short stock positions in China Connect Securities under the CNS System which are outstanding for settlement on the due date (i.e. unsettled after settlement processing on T-day) if a Black Rainstorm Warning is issued on the same day which is a Settlement Day for China Connect Securities Trades.

For the avoidance of doubt, if a Black Rainstorm Warning is issued on a Settlement Day for China Connect Securities Trades, each China Connect Clearing Participant is required to settle its short stock positions in China Connect Securities on the same day. Unless (i)

HKSCC grants an exemption under Section 10A.6.2A or (ii) there is a risk management reason affecting HKSCC which is considered valid by the Risk Management Committee, HKSCC shall have the right, but shall not be obliged, to effect a Buy-in on behalf of the short China Connect Clearing Participant on T+1 (or if it is not practicable to do so on T+1, at any time thereafter) as HKSCC in its absolute discretion considers appropriate up to the outstanding quantity, rounded up to the nearest Board Lot if the quantity is not in full Board Lots, in respect of any short stock positions in China Connect Securities of a China Connect Clearing Participant under the CNS System which are outstanding for settlement on the due date.

#### **17.4 OTHER CONTINGENCY SITUATIONS**

Other contingency situations will be handled by HKSCC in a manner similar to those described in Section 17.2 in relation to typhoons.

Participants will be notified of the exact arrangements in relation to any suspension of services or facilities via the Broadcast Message Service available through their CCASS Terminals and Participant Gateways and through the Enquiry Service via the CCASS Phone System or the CCASS Internet System or if this is not possible, by other appropriate means.