

香港聯合交易所有限公司  
(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

## 通告 CIRCULAR

Subject: **Enhancement of the Third Party Clearing Arrangement**

Enquiry: **Participant General Enquiry Hotline<sup>1</sup> (Tel: 2840 3626 E-mail: [trd@hkex.com.hk](mailto:trd@hkex.com.hk))**

Reference is made to the circular issued by Hong Kong Securities Clearing Company Limited ("HKSCC") ([CD/CDCO/CCASS/023/2019](#)) regarding the implementation of the enhancement of the Third Party Clearing ("TPC") arrangement effective from 11 November 2019. Under the enhanced TPC arrangement, an Exchange Participant ("EP") which is not a Clearing Participant of HKSCC ("NCP") may appoint different General Clearing Participants of HKSCC ("GCPs", each a "GCP") for the clearing of its Exchange Trades and China Connect Securities Trades. EPs are reminded to note the following arrangement following such enhancement.

An EP who is an NCP will not be allowed to trade if it does not have a valid, binding and effective Clearing Agreement with a GCP(s) (any GCP who is subject to such Clearing Agreement with an NCP shall hereinafter be referred to as a "Subsisting GCP") for the clearing of its Exchange Trades, and if applicable, China Connect Securities Trades.

It is one of the China Connect Exchange Participant ("CCEP") registration criteria that the EP must either be a Clearing Participant of HKSCC or has in place a Subsisting GCP for the clearing of its China Connect Securities Trades. An EP which is a Clearing Participant of HKSCC shall itself clear, and shall not be allowed to appoint a GCP to clear, its China Connect Securities Trades.

For an EP which has appointed two different GCPs for the clearing of its Exchange Trades and China Connect Securities Trades, if, subsequently,

- (1) the EP cease to have a Subsisting GCP for the clearing of its Exchange Trades (including the situation where the appointed GCP is suspended from further activities in Central Clearing and Settlement System ("CCASS") under the General Rules of CCASS), it will not be allowed to conduct trading in China Connect Securities even if it still has a Subsisting GCP for the clearing of its China Connect Securities Trades; and

<sup>1</sup> All calls to and from the Participant General Enquiry Hotline may be recorded. HKEX Privacy Policy Statement is available [here](#).

- (2) the EP cease to have a Subsisting GCP for the clearing of its China Connect Securities Trades (including the situation where the appointed GCP is suspended from further activities in CCASS under the General Rules of CCASS), the EP may continue to conduct Exchange Trades if it still has another Subsisting GCP for the clearing of its Exchange Trades, and it continues to fulfil all other criteria as an EP.

The relevant forms, documents and FAQ have been updated in the [TPC web corner](#) to facilitate EPs' understanding of the enhanced TPC arrangement. The amendments to the Rules of the Exchange to reflect the arrangement will be published under a separate circular in due course.

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