

|                 |             |
|-----------------|-------------|
| 編號<br>Ref. No.: | LSD/25/2017 |
| 日期<br>Date:     | 27/03/2017  |

香港中央結算有限公司

(香港交易及結算所有限公司全資附屬公司)

**HONG KONG SECURITIES CLEARING COMPANY LIMITED**

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

## 通告 CIRCULAR

---

**Subject:** Amendments to the General Rules of CCASS ("the Rules") and the CCASS Operational Procedures (the "Procedures")

**Enquiry:** CCASS Hotline 2979 7111 / email: clearingps@hkex.com.hk

CCASS Participants are requested to note that the Securities and Futures Commission has approved amendments to the Rules and Procedures. The amendments to the Rules and Procedures are for the purpose of implementing further enhancements to the CCASS services, which include (i) extending the ATI/STI upload function time and introducing new STI/ATI validation runs, (ii) allowing stocks to be transferred out of Special Segregated Accounts in the morning before the pre-trade stock balance snapshot is taken under Stock Connect, and (iii) introducing a new STI Batch-run. Certain house-keeping changes have also been made to the Rules and Procedures to clarify HKSCC's discretionary power to effect a buy-in for CCASS Participants.

The amendments, as set out in Appendices 1 and 2, will come into effect on Monday, 10 April 2017.

The marked-up version of the amendments can be downloaded from the following sections of the HKEX website:

- "Rule Update - General Rules of CCASS"
- "Rule Update - CCASS Operational Procedures"

Ferheen Mahomed  
Group General Counsel

**GENERAL RULES OF CCASS**

**PART B: EXCHANGE TRADES AND TRANSACTIONS BETWEEN  
PARTICIPANTS**

**CHAPTER 35**

**LATE DELIVERY OF SECURITIES – CNS SYSTEM**

**3501. Default fee, stock borrowing and Buy-in for Eligible Securities other than China Connect Securities**

HKSCC may execute a Buy-in trade on behalf of the Clearing Participant or the Clearing Agency Participant, as the case may be, in default to fulfil its delivery obligation and that Buy-in trade will normally be settled under the CNS System in CCASS in accordance with Rules 3301 to 3307.

**3501A. Default fee and Buy-in for China Connect Securities**

HKSCC may execute a Buy-in trade on behalf of the China Connect Clearing Participant in default to fulfil its delivery obligation and that Buy-in trade will normally be settled under the CNS System in CCASS in accordance with Rules 3301 to 3307 and 4106.

**CCASS OPERATIONAL PROCEDURES**

**Section 2**  
**Participants**

**2.3 STOCK ACCOUNTS AND CCMS COLLATERAL ACCOUNTS**

**2.3.4 Book-entry record of Eligible Securities**

A Clearing Participant or a Custodian Participant inputting a STI shall state in the STI whether the STI Transfer is to be effected on a DVP or FOP basis. STI Transfer to be effected on a DVP basis is only available to the STI Transfer with Eligible Securities debited from SSA with Statement Service. For STI Transfer to be effected in CCASS on a DVP basis, upon the completion of transfer of the Eligible Securities, HKSCC will issue EPIs in the normal way to the Designated Banks of the Clearing or Custodian Participants concerned to effect payment and cause credits to the bank accounts of SSA Statement Recipients.

Delivery of Eligible Securities under an STI Transfer (other than that involving a Special Segregated Account) will be effected by HKSCC by way of on-line delivery upon input (and authorisation and affirmation, if required) of an STI if there are sufficient Eligible Securities in the delivering Stock Account at the time of input or an STI Batch-run.

Delivery of Eligible Securities under an STI Transfer involving a Special Segregated Account will be placed in the “Pending for Transfer” status if input and authorisation of an STI are made between 8:15 a.m. and the final CNS Batch-settlement-run. Such STI will be effected by HKSCC if there are sufficient Eligible Securities in the delivering Stock Account at the time of an STI Batch-run in accordance with Section 6.2.2.

Delivery of Eligible Securities in CCASS from one Participant to another will be achieved by means of a debit entry to the Stock Account (other than the Stock Collateral Control Account) of the delivering Participant and a corresponding credit entry to the Stock Account (other than the Stock Collateral Control Account) of the receiving Participant.

## Section 6

### Operational and Service Schedule

#### **6.2 DAILY PROCESSING AND SERVICE SCHEDULE FOR PARTICIPANTS OTHER THAN INVESTOR PARTICIPANTS**

##### **6.2.1 Daily Processing and Service Schedule in relation to Eligible Securities Other than China Connect Securities**

| <b>Time</b> | <b>CCASS events</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7:15 a.m.   | <p>Commencement of the following services and functions through CCASS Terminal and Participant Gateway where applicable:</p> <ul style="list-style-type: none"> <li>(i) clearing services (SI and ATI/STI upload functions); and</li> <li>(ii) clearing and settlement services enquiry functions, Enquire Broadcast Message function and report retrieval functions</li> </ul> <p>All previous day's reports are available for retrieval</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 8:00 a.m.   | <p>Commencement of the following services and functions through CCASS Terminal and Participant Gateway where applicable:</p> <ul style="list-style-type: none"> <li>(i) clearing services (SI/ISI maintenance and ISI upload functions);</li> <li>(ii) ATI/STI and Mass ATI/STI maintenance functions;</li> <li>(iii) SSA maintenance and upload functions;</li> <li>(iv) Cash Prepayment Instruction, Cash Prepayment / TSF Payment Standing Instruction, Intra-day Payment Standing Instruction and Nominee Payment (Evening) Standing Instruction maintenance functions; and</li> <li>(v) subscription, election, voting instructions, Electronic Application Instructions for New Issue Shares (except where such day is the application or confirmation start date), Tender Instructions (except where such day is the tender or application start date) and Corporate Representative / Proxy instructions maintenance functions</li> </ul> |

## 6.2.2 Daily Processing and Service Schedule in relation to China Connect Securities

| Time       | CCASS events                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7:15 a.m.  | <p>Commencement of the following services and functions through CCASS Terminal and Participant Gateway where applicable:</p> <ul style="list-style-type: none"> <li>(i) clearing services (ATI/STI and SI maintenance and upload functions); and</li> <li>(ii) clearing and settlement services enquiry functions, Enquire Broadcast Message function and report retrieval functions</li> </ul> <p>All previous day's reports are available for retrieval</p>                                                                                                                                                                                                                                                                                                                                                 |
| 8:00 a.m.  | <p>Commencement of the following services and functions through CCASS Terminal and Participant Gateway where applicable:</p> <ul style="list-style-type: none"> <li>(i) Mass ATI/STI maintenance function;</li> <li>(ii) Intra-day Payment Standing Instruction (only applicable to nominee payment) and Nominee Payment (Evening) Standing Instruction maintenance functions; and</li> <li>(iii) subscription (except for the acceptance of Take-over Offer of listed securities), election, voting instructions, Shareholding Category Disclosure and Proxy instruction maintenance functions</li> </ul> <p>Generation of CPIs by HKSCC (in respect of money obligations arising from CNS stock positions settled on previous Mainland Business Day) for same day settlement</p> <p>First STI Batch-run</p> |
| 9:15 a.m.  | Second STI Batch-run (excluding Special Segregated Accounts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 10:00 a.m. | Third STI Batch-run (excluding Special Segregated Accounts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 12:45 p.m. | Fourth STI Batch-run (excluding Special Segregated Accounts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 3:30 p.m.  | Fifth STI Batch-run (excluding Special Segregated Accounts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 5:00 p.m.  | Sixth STI Batch-run (excluding Special Segregated Accounts and only STI Transfers on FOP basis allowed for China Connect Securities)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 5:30 p.m.  | Seventh STI Batch-run (only STI Transfers on FOP basis allowed for China Connect Securities and for STI Transfers involving Special Segregated Accounts, only transfers to Stock Accounts other than Special Segregated Accounts will be included)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                    |                                                                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6:30 p.m. (around) | Eighth STI Batch-run (only for STI Transfers of China Connect Securities from Special Segregated Accounts to Stock Accounts other than Special Segregated Accounts on FOP basis) |
| 7:00 p.m. (around) | Ninth STI Batch-run (only for STI Transfers of China Connect Securities from Special Segregated Accounts to Stock Accounts other than Special Segregated Accounts on FOP basis)  |
| 7:30 p.m.          | Tenth STI Batch-run (only STI Transfers on FOP basis allowed for China Connect Securities)                                                                                       |
| 8:00 p.m.          | Final STI Batch-run (only STI Transfers on FOP basis allowed for China Connect Securities)                                                                                       |

## **Section 10**

### **Exchange Trades - CNS System**

#### **10.8 LATE DELIVERY : BUY-IN**

##### **10.8.2 Timing of Buy-in**

Unless (i) HKSCC grants an exemption under Section 10.8.3, (ii) there is a risk management reason affecting HKSCC, which is considered valid by the Risk Management Committee, (iii) a Buy-in has been executed by HKSCC pursuant to Rule 3501(iv) in respect of the short CNS stock positions of a Participant or (iv) the exemption from Buy-in specified in Section 17.2.13 applies, HKSCC shall have the right, but shall not be obliged, to effect a Buy-in on behalf of the short Participant on T+3 (or if it is not practicable to do so on T+3, at any time thereafter) as HKSCC in its absolute discretion considers appropriate in respect of short stock positions of a Participant under the CNS System which are outstanding for settlement on the due date (i.e., unsettled after settlement processing on T+2).

A Buy-in trade executed by HKSCC on behalf of the short Participant on or off the Exchange will normally be settled under the CNS System, subject to the usual T+2 settlement period and will go through the substitution process (where applicable) and normal novation, daily netting and cross day netting processing.

Notwithstanding the preceding paragraph, HKSCC may require a Buy-in trade (which will be an Exchange Trade, if effected on the Exchange) to be settled under the Isolated Trades System. Although a Buy-in will normally be subject to the usual T+2 settlement period, HKSCC may also require a Buy-in to be settled on the same day of execution or such other period as HKSCC in its absolute discretion considers appropriate.

In the event that a short Participant wishes to make an irrevocable request to HKSCC to execute a Buy-in pursuant to Rule 3501(iv), such Participant shall complete and submit to HKSCC the prescribed form of request (See CCASS Terminal User Guide for Participants for the form). HKSCC reserves the right to accept or reject the short Participant's Buy-in request in its absolute discretion as it may think fit. If the request form is received and accepted by HKSCC between 8:01 p.m. and 12:00 noon, orders will be placed on or off the Exchange during the afternoon trading session at the Exchange. If the request form is received and accepted by HKSCC between 12:01 p.m. and 8:00 p.m., orders will be placed on or off the Exchange on the following trading day. HKSCC shall effect the Buy-in at what it determines to be the best prevailing market price and terms available (but taking into account HKSCC may need to act promptly and provided that HKSCC shall have no liability if it acts in good faith). The short Participant shall be liable to and shall indemnify HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC against all costs and expenses incurred by HKSCC in connection with the Buy-in.

#### **10.8.4 Application for exemption from Buy-in on T+3**

A short Participant wishing to claim exemption under Section 10.8.3 must apply to HKSCC not later than 8.00 p.m. on the due date for settlement (i.e., T+2) by completing and submitting an Application Form for Exemption of Buy-in (see CCASS Terminal User Guide for Participants for the form). The Application Form shall be sent by facsimile or such other means as HKSCC may consider appropriate and shall be deemed received when received by HKSCC. In addition, the short Participant applying for exemption must provide HKSCC with satisfactory supporting documents as set out below on or before T+6, unless otherwise notified by HKSCC. Unless (i) HKSCC grants an exemption under Section 10.8.3, (ii) there is a risk management reason affecting HKSCC, which is considered valid by the Risk Management Committee, (iii) a Buy-in has been executed by HKSCC pursuant to Rule 3501 (iv) in respect of the short CNS stock positions of a short Participant or (iv) the exemption from Buy-in specified in Section 17.2.13 applies, HKSCC shall have the right, but shall not be obliged, to effect a Buy-in on behalf of the short Participant on T+3 (or if it is not practicable to do so on T+3, at any time thereafter) through HKSCC's authorized brokers as HKSCC in its absolute discretion considers appropriate. For the avoidance of doubt, a short Participant is not required to apply to the HKSCC to claim an exemption if the exemption from Buy-in specified in Section 17.2.13 applies.

#### **10.8.5 Buy-in process by HKSCC on behalf of a short Participant**

The following explains the process of Buy-in by HKSCC on behalf of a short Participant in greater detail:

- (i) in respect of the short stock positions of a short Participant under the CNS System still outstanding at the end of the due date (i.e., T+2), a Buy-in Notification Report containing such outstanding short stock positions will be generated by HKSCC. Unless
  - (a) HKSCC grants an exemption under Section 10.8.3, (b) there is a risk management

reason affecting HKSCC which is considered valid by the Risk Management Committee, (c) a Buy-in has been executed by HKSCC pursuant to Rule 3501(iv) in respect of the short CNS stock positions of a short Participant, or (d) the exemption from Buy-in specified in Section 17.2.13 applies, HKSCC shall have the right, but shall not be obliged, to effect Buy-in on T+3 (or if it is not practicable to do so on T+3, at any time thereafter) as HKSCC in its absolute discretion considers appropriate of all outstanding short stock positions stated in the Buy-in Notification Report;

## **Section 10A**

### **China Connect Securities Trades - CNS System**

#### **10A.6 LATE DELIVERY: BUY-IN**

##### **10A.6.2 Timing of Buy-in**

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 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 (i.e., unsettled after the final Batch-settlement-run for China Connect Securities Trades on T-day).

##### **10A.6.3 Buy-in process by HKSCC on behalf of a China Connect Clearing Participant**

The following explains the process of any Buy-in that may be executed by HKSCC on behalf of a short China Connect Clearing Participant in greater detail:

- (i) in respect of the short stock positions in China Connect Securities of a short China Connect Clearing Participant which remain outstanding under the CNS System after the final Batch-settlement-run for China Connect Securities Trades on the Settlement Day, a Buy-in Notification Report containing such outstanding short stock positions will be generated by HKSCC. 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 Buy-in 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, of all outstanding short stock positions stated in the Buy-in Notification Report, rounded up to the nearest Board Lot if the quantity is not in full Board Lots;

## Section 16

### Statements and Reports

#### 16.6 REPORTS AND STATEMENTS FOR PARTICIPANTS

##### 16.6.1 Reports and Statements for Participants other than Investor Participants

| Report ID | Report name                    | Frequency                   | Time available                                                                                                                                                                                                                                                                                          |
|-----------|--------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CSEBA01   | ATI Batch Input Control Report | After each batch validation | shortly after completion of each ATI batch validation run scheduled at around 7:30 a.m., 8:00 a.m., 9:15 a.m., 10:00 a.m., 11:30 a.m., 12:45 p.m., 3:15 p.m., 5:00 p.m., 5:30 p.m. and 8:00 p.m. (for status of ATI batch file uploads).                                                                |
| CSEAT02   | STI Activity Report            | Six times a day             | shortly after completion of each STI batch transfer run scheduled at around 9:15 a.m., 10:00 a.m., 12:45 p.m., 3:30 p.m., 5:00 p.m. and 8:00 p.m. (for accumulated STI activities as of the report generation time for Eligible Securities other than China Connect Securities)                         |
|           |                                | Eleven times a day          | shortly after completion of each STI batch transfer run scheduled at around 8:00 a.m., 9:15 a.m., 10:00 a.m., 12:45 p.m., 3:30 p.m., 5:00 p.m., 5:30 p.m., 6:30 p.m., 7:00 p.m., 7:30 p.m. and 8:00 p.m. (for accumulated STI activities as of the report generation time for China Connect Securities) |
| CSEAT01   | STI Batch Input Control Report | After each batch validation | shortly after completion of each STI batch validation run scheduled at around 7:30 a.m., 8:00 a.m., 9:15 a.m., 10:00 a.m., 12:45 p.m., 3:30 p.m., 5:00 p.m., 5:30 p.m., 7:30 p.m. and 8:00 p.m. (for status of STI batch uploads)                                                                       |

## **Section 17**

### **Suspension of Services**

#### **17.2 TYPHOONS**

##### **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 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**

#### **17.3.13 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.