HONG KONG INTERBANK CLEARING LIMITED
香港銀行同業結算有限公司

Euro Clearing House Rules

Rainstorm Procedures

Typhoon Procedures

(Redacted Version)

Date : October 2026

This redacted version of the Euro Clearing House Rules and Rainstorm Procedures and Typhoon Procedures is a partially edited version of the main text of these documents and is made available publicly for general information purposes only. It has been edited to remove information that might compromise the security of the system if made available to the general public. For operational purposes, Members of the Clearing House for Euro clearing should refer to the full text of the Euro Clearing House Rules and Rainstorm Procedures and Typhoon Procedures. Although due care has been taken to ensure that the information provided in this document is accurate and up-to-date, Hong Kong Interbank Clearing Limited does not warrant that all, or any part of, the information provided in it is up-to-date and accurate in all respects.

Amendment Summary

Amendment	Effective Date

Revised the following provisions for the implementation of dual network channel in CHATS:
• Rule 1.6 Definitions
  ➢ "Clearing House Computer"
  ➢ "eMBT"
  ➢ "iMBT"
  ➢ "Special Posting"
• Rule 6.1.1
• Rule 6.1.2
• Rule 6.2
• Rule 6.2.1
• Rule 6.2.6
• Rule 6.7.1
• Rule 6.7.2
• Rule 6.7.9 (b)
• Rule 6.7.9 (c)
• Rule 6.9.1
• Rule 6.11.1
	16 November 2026

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Part I Introduction

1.1 Expressions used herein are defined below.

1.2 The Clearing House shall be the medium and the location available to Members for the processing of funds transfers in Euro presented by or on behalf of Members or by SI through CHATS.

1.3 SI has been appointed by MA to provide clearing and settlement services in relation to the Clearing House, and has appointed HKICL as its agent to carry out the clearing services.

1.4 These Rules have been made by HKICL with the approval of SI and MA.

1.5 HKICL may from time to time amend these Rules as it may consider necessary or desirable with the prior approval of SI and MA. Any amendments made thereto shall become effective from the effective date(s) as stated in HKICL's prior notice to Members and the amended version will be posted onto HKICL's website www.hkicl.com.hk (which shall specify the effective date(s) for the amendments according to the notice).

1.6 Definitions

"Additional Settlement Account" means an account opened and maintained by a Member with SI as specified in Rule 3.1.1 which (a) is in addition to the Settlement Account; (b) has the characteristics set out in the Operating Procedures; (c) complies with the provisions contained in the Operating Procedures; and (d) is for the purpose of making or receiving certain types of payment identified as being the account to or from which the payment is made by the code in the payment instruction for that payment.

"Banking Ordinance" means the Banking Ordinance (Cap. 155 of the Laws of Hong Kong).

"bank" means an institution which has been granted an authorization under the Banking Ordinance to carry on banking business and such authorization has not been revoked.

"CCP Instruction" means a payment instruction which is to be settled only if CCPMP confirms that a corresponding payment ("**Corresponding Payment**") from the Receiving Member of that payment instruction to the Sending Member in another relevant currency will be settled at the same time and includes a CCP Instruction Value Today and a CCP Instruction Value Forward Day.

"CCP Instruction Value Forward Day" means a CCP Instruction to effect a payment for value through CHATS as of the Supported Forward Day referred to in the payment instruction.

"CCP Instruction Value Today" means a CCP Instruction to effect a payment for value through CHATS as of the Working Day on which the instruction is received by the Clearing House Computer. For the avoidance of doubt, if the instruction is received between a CCPMP Cut-off and the following CCPMP Commencement, it will be deemed to be received on the Working Day of that CCPMP Commencement and value today shall be construed accordingly.

"CCPMP" means the Cross Currency Payment Matching Processor which links up the Clearing House Computer, and provides a payment versus payment ("PvP") facility for foreign exchange transactions.

"CCPMP Commencement" means a time determined from time to time by SI by which CCPMP will again be re-opened for processing CCP Instructions on the Working Day immediately following CCPMP Cut-off.

"CCPMP Cut-off" means the time on a Working Day specified as such in Schedule I Part II as varied pursuant to Rule 6.9.1.

"CHATS" means the computer based Clearing House Automated Transfer System owned and operated in Hong Kong by HKICL for (i) the automated electronic processing and settlement of funds transfers including credit and debit transfers effected by SI directly in a Member's Designated Settlement Account as described in Rules 6.3.4 to 6.3.7; and (ii) the automated electronic processing and settlement of funds transfers by virtue of Special Posting.

"CHATS Bank Cut-off" means the time on a Working Day specified as such in Schedule I Part I paragraph 1 as varied pursuant to Rule 6.9.1.

"CHATS Commencement" means a time determined from time to time by HKICL by which the Clearing House Computer will again be re-opened for the settlement of CHATS Transactions involving funds transfers on the Working Day immediately following CHATS Value Date Cut-off.

"CHATS Customer Cut-off" means the time on a Working Day specified as such in Schedule I Part I paragraph 1 as varied pursuant to Rule 6.9.1.

"CHATS Payment Instruction" means a CHATS Payment Instruction Value Today or a CHATS Payment Instruction Value Forward Day.

"CHATS Payment Instruction Value Forward Day" means an instruction including Mainland FX Payment and Regional CHATS Payment (other than a CCP Instruction and OTC Clear Payment Instruction) input by a Member to the Clearing House Computer for the effecting of a funds transfer through CHATS for value as of the Supported Forward Day referred to in the payment instruction.

"CHATS Payment Instruction Value Today" means an instruction including Mainland FX Payment and Regional CHATS Payment (other than a CCP Instruction and OTC Clear Payment Instruction) input by a Member or generated or by virtue of a Special Posting to the Clearing House Computer for the effecting of a funds transfer through CHATS for value as of the Working Day on which the instruction is received by the Clearing House Computer. For the avoidance of doubt, if the instruction is received between a CHATS Value Date Cut-off and the following CHATS Commencement, it will be deemed to be received on the Working Day on which that CHATS Commencement falls and value today shall be construed accordingly.

"CHATS Transactions" means transactions involving funds transfers effected through CHATS including, for the avoidance of doubt (but without limitation), Regional CHATS Payments and the general administrative or system messages transmitted through CHATS.

"CHATS Value Date Cut-off" means the time on a Working Day specified as such in Schedule I Part I paragraph 1 as varied pursuant to Rule 6.9.1.

"Clearing Facilities" means all premises, personnel, machinery, equipment, facilities, software, operational and processing systems, computer systems including CHATS, arrangements and procedures for or in relation to the services provided by and the operation of the Clearing House.

"Clearing House" means the medium and the location provided, operated and managed by HKICL which is available to Members for the processing of funds transfers in Euro and which are presented by or on behalf of Members or by SI.

"Clearing House Computer" means (i) the computer system of the Clearing House (a) to which Members may connect to effect CHATS Transactions and other transactions through the Clearing House as the case may be via the SWIFT network or the HKICL network, (b) to which Members may connect through the MBT in order to perform operational, administrative and monitoring functions related to CHATS as stipulated in the Operating Procedures, (c) to which OTC Clear connects its system in order to transmit OTC Clear Debit Requests for the generation of OTC Clear Payment Instructions through the Clearing House; and (d) to which other computer systems may connect in order to effect CHATS Transactions and other transactions through the Clearing House as the case may be; and (ii) other computer system(s) in respect of the Clearing House.

"Clearing House Rules" or "Rules" means these Euro Clearing House Rules as amended from time to time by HKICL.

"crisis prevention measure" has the meaning given to that term in section 86 of the FIRO.

"Data Subject(s)" has the meaning given to that term in the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong).

"Delayed Payment" means those funds transferred through CHATS which are credited to an account on a value date later than that specified in the relevant transfer or payment details.

"default event provision" has the meaning given to that term in section 86 of the FIRO.

"Designated Settlement Account" means in respect of any payment (a) the Settlement Account; or (b) the Additional Settlement Account which in either case is identified as being the account to or from which the payment is made by the code in the payment instruction for that payment.

"Direct Credit Instruction" means an instruction effected in real time by SI to credit a Member's Designated Settlement Account through CHATS to settle an obligation of SI to that Member and includes a Direct Credit Instruction Value Today and a Direct Credit Instruction Value Forward Day.

"Direct Credit Instruction Value Forward Day" means a Direct Credit Instruction to effect a payment for value through CHATS as of the Supported Forward Day referred to in the Direct Credit Instruction.

"Direct Credit Instruction Value Today" means a Direct Credit Instruction input or generated after CHATS Commencement and before End of Day Cut-off to effect a payment for value through CHATS as of the Working Day on which the instruction is received by the Clearing House Computer.

"Direct Debit Instruction" means an instruction effected in real time by SI to debit a Member's Designated Settlement Account through CHATS to settle an obligation of that Member to SI.

"Direct Debit Instruction Value Forward Day" means a Direct Debit Instruction to effect a payment for value through CHATS as of the Supported Forward Day referred to in the Direct Debit Instruction.

"Direct Debit Instruction Value Today" means a Direct Debit Instruction input or generated after CHATS Commencement and before End of Day Cut-off to effect a payment for value through CHATS as of the Working Day on which the instruction is received by the Clearing House Computer.

"Electronic Media" means such electronic media for the delivery of information pursuant to these Clearing House Rules and, where the context admits, such format thereof as (in each case) may be specified from time to time in the Operating Procedures.

"eMBT" means the terminal system enabling connection to the Clearing House Computer via the SWIFT network, whereby a Member may gain access to such terminal system through terminals located within the premises of such Member. Access to the eMBT is for the purposes of a Member performing operational, administrative and monitoring functions related to CHATS as stipulated in the Operating Procedures.

"End of Day Cut-off" means the time on a Working Day after which the settlement of transactions including funds transfers initiated by SI shall cease and the related arrangements as set out in Schedule I, Part III or as from time to time determined (and/or amended) by SI and MA.

"Euro" means the lawful currency for the time being of the European Union.

"Extreme Conditions" means the existence of extreme conditions as announced by the Government of the Hong Kong Special Administrative Region that arise from a super typhoon or other natural disaster of a substantial scale which caused serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions.

"FIRO" means the Financial Institutions (Resolution) Ordinance (Cap. 628 of the Laws of Hong Kong).

"group company" has the meaning given to that term in section 2 of the FIRO.

"HKICL" means Hong Kong Interbank Clearing Limited.

"ICU" means an institution (other than a Member) whose CHATS Transactions are cleared and settled through a Member and who is allocated a clearing code by HKICL; "**its ICU**" means, in relation to a Member, the ICU whose CHATS Transactions are agreed between such Member and such ICU to be settled through such Member's

Designated Settlement Account.

"iMBT" means the terminal system enabling connection to the Clearing House Computer via the HKICL network and/or internet, whereby a Member may connect to such terminal system through terminals located within the premises of such Member according to the security requirements provided by HKICL from time to time. Access to the iMBT via the HKICL network by a Member is for the same purposes as that of eMBT; while access to the iMBT via internet by a Member (i) is to be used as a contingency in case such Member is unable to connect to the Clearing House Computer through the eMBT via the SWIFT network and the iMBT via the HKICL network for the purposes of performing operational, administrative and monitoring functions related to CHATS as stipulated in the Operating Procedures, and (ii) will only be provided to the Member concerned where it is enabled by HKICL upon request of such Member.

"inoperable" in relation to all or part of the Clearing Facilities, means all or part of the Clearing Facilities becoming incapable of normal operation or in the opinion of HKICL difficult to operate normally by reason of (i) a system failure; (ii) non-availability of HKICL's production or backup contingency sites; (iii) circumstances affecting the staff of HKICL or Members or any other relevant third parties rendering it difficult or impossible to operate part or all of the Clearing Facilities normally; (iv) a requirement from the Government of the Hong Kong Special Administrative Region, MA or SI; or (v) any other unforeseen disruption scenarios rendering it difficult or impossible to operate part or all of the Clearing Facilities normally.

"Interbank Intraday Liquidity Facility" or **"IILF"** means a liquidity facility to facilitate the provision of liquidity from Liquidity Providers to Liquidity Consumers in accordance with Rule 6.13.

"Liquidity Consumer" means a Member who registers with HKICL to borrow liquidity through the IILF from a single Liquidity Provider in accordance with Rule 6.13.

"Liquidity Provider" means a Member who registers with HKICL to provide liquidity through the IILF to one or more Liquidity Consumer(s) in accordance with Rule 6.13.

"Mainland FX Payment" means a payment instruction relating to China's foreign exchange transaction (as identified by a designated payment code for such transaction) input by a Member who has registered as a user group member, effected through CHATS.

"MA" means the Monetary Authority appointed under the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong).

"MBT" means eMBT and/or iMBT as appropriate.

"Members" means banks and other institutions which, in the case of other institutions, have been permitted by SI and MA to use all or part of the Clearing House and the Clearing Facilities and which, in the case of banks and other institutions, have agreed with SI to be bound by these Clearing House Rules; "**its Member**" means, in relation to an ICU or TPU, a Member with respect to whom it is agreed with such ICU or TPU that such Member shall permit payments by or to such ICU or TPU to be settled through such Member's Designated Settlement Account. For the avoidance of doubt, the term "Members" does not include a branch or the head office of a Member located outside Hong Kong.

"Non-Clearing Day" means a Working Day in relation to which HKICL has given a notice pursuant to Rule 5.6, 5.7 or 5.8 to the effect that all or part of the Clearing Facilities will be suspended.

"Normal Queue" means a queue of Direct Debit Instructions already input or generated by SI and/or the queue mode specified by a Member for an applicable payment instruction in relation to which such payment instruction (subject to Rule 6.3.1.5, Rule 6.3.3.4, Rule 6.3.4.5 and Rule 6.3.8.3(f)) or Direct Debit Instruction will be settled immediately if the available balance of the Member in its Designated Settlement Account is sufficient to meet the payment instruction or Direct Debit Instruction where the payment instruction or Direct Debit Instruction is first in priority in the queue. Save in respect of OTC Clear Payment Instructions (whereby initial queue mode is determined according to the criteria stipulated in the Operating Procedures), the Clearing House Computer will treat the payment instruction as Normal Queue if the queue mode is not specified in an applicable payment instruction.

"Operating Procedures" means the operating procedures issued by HKICL pursuant to Rule 2.4 and for the time being in force.

"Ordinance" means the Payment Systems and Stored Value Facilities Ordinance (Cap. 584 of the Laws of Hong Kong).

"OTC Clear" means OTC Clearing Hong Kong Limited.

"OTC Clear Debit Request" means a request transmitted or delivered by OTC Clear to the Clearing House Computer for the generation of an OTC Clear Payment Instruction for the effecting of a payment through CHATS to settle an obligation of a Member or one of its customers which is not a Member to OTC Clear by paying into the Designated Settlement Account of a bank Member designated by OTC Clear in accordance with the Operating Procedures as of the Working Day referred to in the request which can be the day on which the request is received by the Clearing House Computer or any Supported Forward Day.

"OTC Clear Payment Instruction" means an OTC Clear Payment Instruction Value Today or an OTC Clear Payment Instruction Value Forward Day.

"OTC Clear Payment Instruction Value Forward Day" means an instruction generated by CHATS upon receipt of an OTC Clear Debit Request transmitted by OTC Clear for the effecting of a payment to settle an obligation of a Member or one of its customers which is not a Member to OTC Clear by paying into the Designated Settlement Account of a bank Member designated by OTC Clear in accordance with the Operating Procedures for value through CHATS as of the Supported Forward Day referred to in the OTC Clear Debit Request.

"OTC Clear Payment Instruction Value Today" means an instruction generated by CHATS upon receipt of an OTC Clear Debit Request transmitted by OTC Clear or delivered by OTC Clear by virtue of Special Posting for the effecting of a payment to settle an obligation of a Member or one of its customers which is not a Member to OTC Clear by paying into the Designated Settlement Account of a bank Member designated by OTC Clear in accordance with the Operating Procedures for value through CHATS as of the Working Day on which the OTC Clear Debit Request is received by the Clearing House Computer.

"Participant List" means the exhaustive list of all Members, ICUs and TPUs which is maintained by HKICL and posted on the website of HKICL.

"Pending Queue" means the queue mode specified by a Member for a payment instruction in relation to which such payment instruction (save as provided in Rule 6.3.1.5, Rule 6.3.3.4 and Rule 6.3.8.3(f)) will not at any time be settled even if the available balance of the Member in its Designated Settlement Account is sufficient to meet the payment instruction. Such payment instruction will (save as provided in Rule 6.3.1.5, Rule 6.3.3.4 and Rule 6.3.8.3(f)) remain in the Pending Queue until (a) it is automatically transferred by the Clearing House Computer to the Normal Queue after the time stipulated in the Operating Procedures, (b) it is cancelled by the Member or (c) it is transferred by the Member to the Normal Queue. For the avoidance of doubt, the Pending Queue is not applicable to a Direct Debit Instruction input or generated by SI.

"Personal Data" has the meaning given to that term in the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong).

"Rainstorm Procedures" means the Rainstorm Procedures determined by HKICL in consultation with SI and for the time being in force.

"Receiving Member" means a Member which receives a credit transfer which has been effected through CHATS.

"Regional CHATS Payments" means payment instructions relating to cross-border transactions (as identified by designated payment codes for such transactions) input by a Member in favour of a Service Provider (which, for the avoidance of doubt, may include that Member), effected through CHATS.

"RTGS Liquidity Optimiser" means a settlement mechanism allowing simultaneous gross settlement of selected CHATS Transactions in accordance with Rule 6.12.

"Security and Anti-fraud Requirements" refers to the set of requirements on endpoint security measures for combatting payment fraud as specified by HKICL and amended by HKICL as and when necessary and notified to Members from time to time.

"Sending Member" means a Member which initiates a credit transfer through CHATS.

"Service Provider" means a Member who registers with HKICL as such and authorises HKICL to provide its correspondent banks' information in accordance with Rule 6.8 to enable Members to effect Regional CHATS Payments through CHATS to that Member for its onward transmission to the correspondent bank designated by the relevant Members.

"Settlement Account" means the account opened and maintained by a Member with SI as provided in Rule 3.1.1 and which complies with the requirements contained in the Operating Procedures.

"SI" means the institution appointed by MA to provide clearing and settlement services for Euro, and which for the time being is Standard Chartered Bank (Hong Kong) Limited.

"Special Posting" means a contingency arrangement to handle the situation where the computer of any of the Members, OTC Clear or the Clearing House Computer has failed to connect to the SWIFT network and the HKICL network for delivery of CHATS transactions. The decision to trigger such arrangement may be made at the request of the Member, OTC Clear or HKICL subject to the relevant approval(s) being sought in accordance with the provisions as set out in the Operating Procedures. This contingency arrangement is not applicable to payment instructions valued on any Supported Forward Day or to OTC Clear Debit Requests which request generation of OTC Clear Payment Instructions valued on any Supported Forward Day.

"Supported Forward Day" means in respect of any instruction or OTC Clear Debit Request a Working Day referred to in the instruction or the OTC Clear Debit Request which is within 12 calendar days of the System Date on which the instruction or the OTC Clear Debit Request is received by the Clearing House Computer and **"Supported Forward Days"** means in respect of any instruction or OTC Clear Debit Request all Working Days within 12 calendar days of the System Date on which the instruction or the OTC Clear Debit Request is received by the Clearing House Computer.

"SWIFT" means the Society for Worldwide Interbank Financial Telecommunication.

"SWIFT Business Identifier Code" means, in respect of an institution, the unique code assigned by SWIFT to that institution.

"System Date" means the date adopted by the Clearing House Computer, such that immediately after the CHATS Value Date Cut-off on a Working Day, the System Date will become the date of the next Working Day.

"TPU" or "Third Party User" means an institution (other than a Member) whose CHATS Transactions are cleared and settled through one or more Member(s) and who is not allocated a clearing code by HKICL; "**its TPU**" means, in relation to a Member, a TPU who has agreed with that Member that CHATS Transactions of the TPU are permitted to be settled through such Member's Designated Settlement Account. A TPU is identified in a CHATS Transaction by its SWIFT Business Identifier Code or, if the TPU has no SWIFT Business Identifier Code, the account number of its account maintained with the Member through which the CHATS Transaction is cleared and settled.

"Typhoon Procedures" means the Typhoon Procedures determined by HKICL in consultation with SI and for the time being in force.

"Working Day" means (i) in respect of settlement of CHATS Transactions, a day other than a Saturday, Sunday and 1st January; and (ii) in any other case, a day other than a Saturday and a general holiday as specified in the General Holidays Ordinance (Cap. 149 of the Laws of Hong Kong).

1.7 Interpretation

Unless the context otherwise requires:

(a) a word or expression defined in these Clearing House Rules and the Schedule hereto bears the defined meaning; terms defined in these Clearing House Rules shall bear the same meaning when used in the Schedule;

(b) where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning;

(c) a person includes individuals, bodies corporate (wherever and howsoever incorporated), unincorporated associations and partnerships;

(d) a person includes its successor;

(e) reference to the singular includes the plural and vice versa;

(f) reference to one gender includes all genders;

(g) "including" and similar expressions are not words of limitation;

(h) reference to a group or thing includes any part thereof; and

(i) headings are for convenience only and do not affect interpretation.

Part II Clearing House, Clearing Facilities and HKICL

2.1 Clearing House

No Member shall use or provide in Hong Kong any facilities for the processing of funds transfers in Euro other than those provided by HKICL (either directly or through a sub-contractor) as agent for SI. Each Member shall be entitled to the use of all or part of the Clearing House and the Clearing Facilities subject to the provisions of these Clearing House Rules and any agreement between that Member and SI.

2.2 Location

The Clearing House shall be located at such place in Hong Kong as shall be notified from time to time by HKICL to SI and the Members.

2.3 Responsibility for the Clearing House and the Clearing Facilities

2.3.1 HKICL shall as agent for SI, subject to the provisions of these Clearing House Rules and in accordance with the Operating Procedures, provide, manage and operate the Clearing House and the Clearing Facilities and make available the services of the Clearing House and the Clearing Facilities to the Members. HKICL may (with the approval of both SI and MA) sub-contract the performance of its obligations hereunder as agent of SI.

2.3.2 HKICL shall exercise a degree of skill, care and responsibility commensurate with that exercised by HKICL in relation to its provision of the Hong Kong dollar clearing house and clearing facilities. The exercise of such skill, care and responsibility shall constitute a full and complete discharge of the obligations and duties of SI and HKICL to Members in respect of and concerning the Clearing House and the Clearing Facilities under these Clearing House Rules and the Operating Procedures.

2.3.3 HKICL and SI shall not be liable to any Member, any ICU, any TPU, any correspondent bank of a Service Provider and/or any customer of a Member and/or any other person in respect of any claim, loss, damage or expense (including without limitation, loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss, even if HKICL or SI knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of anything done or omitted to be done by HKICL or SI bona fide, except that HKICL's liability for loss or damage (other than loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss) suffered by any Member, any ICU, any TPU, any correspondent bank of a Service Provider and/or any customer of a Member and/or any other person as a result of any failure, error or inaccuracy in HKICL's provision, management or operation of the Clearing House and/or the Clearing Facilities substantially caused by fire or theft affecting the premises or property of HKICL shall not be so excluded.

2.3.4 Each Member shall in respect of all claims, losses, damages and expenses incurred by it, any of its customers, any of its ICUs, any of its TPUs or (where such Member is a Service Provider) any of its correspondent banks, indemnify and hold each of SI and HKICL harmless against all actions, proceedings, costs, claims, demands, liabilities, losses or expenses whatsoever and howsoever arising out of or in connection with HKICL's provision, management or operation of the Clearing House and/or the Clearing Facilities and/or HKICL's performance of its obligations under these Clearing House Rules and the Operating Procedures save and except those claims for which HKICL is liable as provided in Rule 2.3.3.

2.3.5 MA shall not be liable to SI, HKICL, any Member, any ICU, any TPU, any correspondent bank of a Service Provider or any other person in respect of any claim, loss, damage or expense (including without limitation, loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss, even if MA knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of anything done or omitted to be done by MA bona fide or by SI,

HKICL or any Member, any ICU, any TPU, any correspondent bank of a Service Provider or any other person in the management, operation or use (including without limitation, the termination and/or suspension of SI, the Clearing Facilities or any Member) of the Clearing House or the Clearing Facilities or any part of any of them. SI and each Member shall jointly and severally indemnify and hold MA harmless in respect of any liability, claim, loss, damage or expense hereinbefore described in this Rule 2.3.5, such indemnity to survive the expiry or termination of any Member's use of the Clearing House or Clearing Facilities.

2.3.6 The provisions in this Rule 2.3 shall be in addition to and shall not be affected by any other provisions of these Rules which (i) exclude or limit the liability of MA, HKICL and/or SI; or (ii) set out an indemnity provision in favour of MA, HKICL and/or SI.

2.3.7 HKICL shall not be responsible for debiting and crediting the Designated Settlement Accounts. SI shall settle all payments effected through CHATS by debiting and crediting the Designated Settlement Accounts concerned in accordance with Rules 3.1.4 and 3.1.5.

2.4 Clearing House Operating Procedures

HKICL shall be entitled with SI's and MA's approval to issue Operating Procedures for the Clearing House and the Clearing Facilities and to amend such Operating Procedures from time to time as it thinks fit with SI's and MA's approval. To the extent of any inconsistency between these Clearing House Rules and the Operating Procedures, these Clearing House Rules shall prevail save where otherwise specifically provided for in these Clearing House Rules. The current version of the Operating Procedures can be found on HKICL's website www.hkicl.com.hk. Any amendments made thereto shall become effective from the effective date(s) as stated in HKICL's prior notice to Members and the amended version will be posted onto HKICL's website (which shall specify the effective date(s) for the amendments according to the notice). In the event of any inconsistency between the version of the Operating Procedures on HKICL's website and any other version of the Operating Procedures, the version on HKICL's website shall prevail.

2.5 Clearing Facilities Expenses

2.5.1 Members shall pay to HKICL fees in Hong Kong dollars for the use of the Clearing Facilities calculated in the manner determined by HKICL from time to time with SI's approval ("Fees").

2.5.2 Payment of the Fees shall be made monthly in arrears by direct debit instruction generated by HKICL pursuant to direct debit authorisation issued by each Member in HKICL's favour in respect of Fees due from such Member. Failing due payment interest shall become payable on the outstanding sum at the rate which HKICL certifies from time to time to be equal to the average of the best lending rates for Hong Kong dollars for the time being quoted by three Members which are banks as selected by HKICL.

2.6 Confidentiality

SI and HKICL shall keep confidential all information received from Members in connection with the Clearing House and Clearing Facilities and shall, except as otherwise required by law or pursuant to these Rules and the Operating Procedures, disclose the same only to those of their respective staff who require the information for the purpose of providing, managing and operating the Clearing Facilities, or to MA. SI and HKICL shall take all reasonable steps to ensure that their respective staff are aware of SI's and HKICL's confidentiality obligations.

2.7 Contract

2.7.1 SI, HKICL and each Member agree that these Clearing House Rules constitute a contract between SI, HKICL, such Member and all other Members from time to time. It is recognised that HKICL may with SI's and MA's approval amend these Clearing House Rules from time to time.

2.7.2 Each Member which participates in money settlement of OTC Clear Payment Instructions via

CHATS agrees that OTC Clear may transmit or deliver OTC Clear Debit Requests to HKICL for generation of OTC Clear Payment Instructions and agrees to the effecting of funds transfer in accordance with these Rules and on the terms set out in an agreement between HKICL and OTC Clear (the "**OTC Clear Agreement**") and SI is authorised by such Members to debit such Members' Designated Settlement Accounts and credit the Designated Settlement Account of OTC Clear's designated bank Member to settle the relevant OTC Clear Payment Instructions generated by CHATS pursuant to the OTC Clear Debit Requests transmitted or delivered by OTC Clear without making any independent verification of the correctness or integrity of the contents of the OTC Clear Debit Requests or OTC Clear Payment Instructions. According to the terms of the OTC Clear Agreement between HKICL and OTC Clear, OTC Clear will be responsible for the correctness of the contents of each OTC Clear Debit Request and will indemnify such Members, MA, SI and HKICL against all liabilities and expenses incurred by any of them arising out of or as a result of any error in an OTC Clear Debit Request or discrepancy between information in an OTC Clear Debit Request and the related underlying transaction. HKICL, MA and SI shall not be liable for, and expressly exclude any such liability for, any direct, indirect, consequential, special or incidental damage, loss or expense, whether caused by negligence or otherwise, which arises directly or indirectly as a consequence of the processing or settlement of (or any failure or delay to process or settle), any OTC Clear Debit Request and OTC Clear Payment Instruction in accordance with these Rules.

2.8 Compliance with the Ordinance

2.8.1 Each Member, HKICL and SI shall comply with all obligations under the Ordinance and all directions or regulations made by MA thereunder, as may be applicable to each of them.

2.8.2 Without prejudice to the generality of Rule 2.8.1, HKICL shall:

(a) operate the Clearing House and Clearing House Computer in a safe and efficient manner calculated to minimise the likelihood of any disruption to the functioning of the Clearing House and Clearing House Computer; and

(b) operate the Clearing House and Clearing House Computer in accordance with the Ordinance insofar as it applies in relation to the Clearing House and Clearing House Computer.

For the avoidance of doubt, HKICL shall not be responsible for debiting and crediting the Designated Settlement Accounts.

2.8.3 Each of HKICL and SI shall provide (and be entitled to provide) all information and reports required to be provided by a system operator or settlement institution pursuant to Sections 6 (Obligation to inform MA of name and address etc.), 12 (MA may request information or documents), 30 (Duty to report on completion of default proceedings) and 53 (Requirement to give information relating to default) of the Ordinance.

2.8.4 Without prejudice to the generality of Rule 2.8.1, each Member shall notify HKICL, SI and MA forthwith if there comes to its attention any of the following circumstances occurring in Hong Kong or any analogous circumstances occurring outside Hong Kong:

(a) a Member becoming unable to meet its obligations;

(b) the presentation of a petition for winding up of the Member;

(c) the making of an order for winding up of the Member;

(d) the passing of a resolution for voluntary winding up of the Member;

(e) the making of a directors' voluntary winding up statement in respect of the Member; or

(f) subject to any confidentiality obligations binding on it, the taking of any crisis

prevention measure in relation to the Member or a group company of the Member.

HKICL shall inform SI and MA forthwith if it becomes aware of any of the foregoing.

2.8.5 Without prejudice to the generality of Rule 2.8.1, none of the Members nor HKICL nor SI shall contravene Section 45 (Giving false information to MA) of the Ordinance.

2.8.6 Each Member shall have systems in place which are complementary to HKICL's contingency arrangements so as to enable HKICL to ensure the timely recovery of its usual operations in the event of the occurrence of an adverse contingency affecting such operations. Such contingency arrangements shall be modified from time to time in the manner required by HKICL or SI or MA, and HKICL shall notify Members of the changes accordingly. Members shall participate in the contingency drills arranged by HKICL from time to time so as to verify their readiness.

2.8.7 In the event of any inconsistency between the provisions of this Rule 2.8 and any of the other provisions of these Clearing House Rules, this Rule 2.8 shall prevail.

2.9 Compliance with the Security and Anti-fraud Requirements

2.9.1 Each Member shall comply with the applicable Security and Anti-fraud Requirements as specified by HKICL.

2.9.2 Each Member shall submit a self-declaration of compliance with the Security and Anti-fraud Requirements to HKICL when required, and in a form specified, by HKICL; responses from Members may be passed to SI and MA for follow up and record.

2.10 Monitoring of Compliance with these Rules

2.10.1 HKICL will monitor performance by Members of their obligations under these Rules.

2.10.2 In the event that HKICL becomes aware of any non performance by any Member of its obligations under these Rules, HKICL shall as soon as practicable inform (i) the Member concerned and require it to ensure performance of the relevant provision; and (ii) SI and MA of such incident.

Part III Settlement

3.1 Settlement Institution, Settlement Accounts and Additional Settlement Accounts

3.1.1 The settlement institution is SI and each Member shall open and keep a Settlement Account with SI and if agreed by SI a Member may open and keep an Additional Settlement Account with SI in each case in such manner and upon such terms and conditions as agreed between each Member and SI and MA for the purposes of settlement of payments effected through CHATS.

3.1.2 Each ICU (and each TPU) shall open and keep an account with a Member and agree with such Member the terms and conditions on which such Member shall permit payments by or to such ICU (or, as the case may be, such TPU) to be settled through such Member's Designated Settlement Account.

3.1.3 Each Member shall maintain an available balance in its Designated Settlement Account sufficient to meet in time its, its ICUs' and its TPUs' payment obligations which are to be settled through such Designated Settlement Account as and when due.

3.1.4 Notwithstanding the mode and means by which they are made, all payments by or to each Member and its ICUs which are effected through CHATS shall be settled by SI debiting or crediting the Designated Settlement Account of such Member through CHATS and once debited or credited to such Designated Settlement Account, such payments shall be deemed made, completed, irrevocable and final.

3.1.5 Notwithstanding the mode and means by which it is made, each payment by or to each TPU which is effected through CHATS shall be settled by SI debiting or crediting the Designated Settlement Account of its Member through which the corresponding CHATS Payment Instruction specifies such payment to be cleared and settled and once debited or credited to such Designated Settlement Account, such payment shall be deemed made, completed, irrevocable and final.

3.1.6 Each Member authorises SI to debit or, as the case may be, credit its Designated Settlement Account for payments by or to such Member, its ICUs and its TPUs which are effected through CHATS in accordance with the provisions of these Clearing House Rules.

3.2 Settlement of CHATS Transactions

All CHATS Transactions involving payments or funds transfers shall be settled as provided in Part VI of these Clearing House Rules.

3.3 Member to Member payments

A Member can open accounts with another Member for operational purposes and the nostro Member can directly debit or credit such accounts for payments of an operational nature, but these accounts and such in-house transfers should not be used for large scale funds transfers, in particular in connection with the settlement of capital market or treasury type transactions or for funds transfers from the account opening Member to another Member.

3.4 Settlement Obligations

Notwithstanding any provisions in these Clearing House Rules but without prejudice to its obligations in respect of the management and operation of the Clearing House and the Clearing Facilities, HKICL shall be under no liability whatsoever for any settlement obligations of or between Members.

Part IV Members

4.1 Clearing House Rules and Operating Procedures

These Clearing House Rules and the Operating Procedures are binding on Members. Members shall comply with and observe these Clearing House Rules and all Operating Procedures as amended from time to time and in force.

4.2 Membership

4.2.1 Banks are entitled to become Members unless otherwise provided by MA or any applicable law.

4.2.2 Subject to Rule 4.2.12, banks may by agreement with a Member become ICUs or TPUs through such Member unless otherwise provided by MA or applicable law.

4.2.3 Institutions other than banks may become Members if they have been permitted by SI and MA to use all or part of the Clearing House and the Clearing Facilities or, with the permission of SI and MA and by agreement with a Member, may choose to become ICUs or TPUs through such Member subject to Rule 4.2.12.

4.2.4 A Member shall give 10 Working Days' prior written notice to SI before it allows an institution to become its ICU or TPU or before it terminates its agreement to allow an institution to be its ICU or TPU.

4.2.5 In the event that an ICU becomes insolvent, is unable to pay its debts as they fall due or is the subject of a winding up petition or other like process, the Member of such ICU shall forthwith advise SI and MA thereof and forthwith stop initiating or otherwise processing or executing any CHATS Transaction in respect of that ICU or crediting or otherwise making any payment in respect of any CHATS Transaction to that ICU. SI shall after obtaining the consent of MA forthwith notify HKICL and instruct it to cancel the clearing code of that ICU so that no further CHATS Transactions may be made to or for the account of that ICU through its clearing code.

4.2.6 In the event that a TPU becomes insolvent, is unable to pay its debts as they fall due or is the subject of a winding up petition or other like process, the Member(s) of such TPU shall forthwith advise SI thereof and forthwith stop initiating or otherwise processing or executing any CHATS Transaction in respect of that TPU or crediting or otherwise making any payment in respect of any CHATS Transaction to that TPU. SI shall forthwith notify HKICL and instruct HKICL to remove that TPU from the Participant List. HKICL shall, upon receipt of such instruction, remove that TPU from the Participant List.

4.2.7 An ICU shall cease to be an ICU if its clearing code has been cancelled or if its Member ceases to be a Member or has Clearing Facilities suspended. A TPU shall cease to be a TPU if it is removed from the Participant List or if all of its Members cease to be Members or are suspended from using the Clearing Facilities.

4.2.8 A Member may act as the correspondent bank of an ICU for the purpose of enabling the ICU to:

4.2.8.1 give, through the Member, CHATS Payment Instructions; and

4.2.8.2 receive, through the Member and through the use of the clearing code of the ICU, payments following the giving of CHATS Payment Instructions (including CHATS Payment Instructions effected by Special Posting) by another Member, an ICU or a TPU.

4.2.9 A Member may act as the correspondent bank of a TPU for the purpose of enabling the TPU to:

4.2.9.1 give, through the Member, CHATS Payment Instructions; and

4.2.9.2 receive, through the Member, payments following the giving of CHATS Payment Instructions (including CHATS Payment Instructions effected by Special Posting) by another Member, an ICU or a TPU.

4.2.10 An ICU or a TPU shall not be a Member and shall have no rights or obligations vis-à-vis other Members, SI or HKICL. All rights and obligations vis-à-vis other Members, SI or HKICL arising out of the giving of CHATS Payment Instructions for the account of an ICU or a TPU shall be the rights and obligations of the relevant Member.

4.2.11 All CHATS Transactions (including CHATS Payment Instructions effected by Special Posting) effected by or in favour of a Member for the account of an ICU or a TPU shall be settled by the crediting or debiting of the Designated Settlement Account of the Member and shall be construed for the purposes of these Clearing House Rules as receipts or payments of the relevant Member.

4.2.12 Unless otherwise approved by SI and MA on a case by case basis, Members shall not agree with any institution which is not an ICU to become its ICU.

4.3 Withdrawal

A Member may withdraw from membership of the Clearing House by giving 90 days' prior written notice to SI and HKICL and by paying the accrued fees and other payments, if any, due by it to HKICL in relation to the Clearing House and the Clearing Facilities up to the date of withdrawal. Such withdrawal shall be without prejudice to any liability accrued up to and including the date of withdrawal.

4.4 Clearing codes

4.4.1 Clearing codes which are used to identify each Member, each ICU, each Settlement Account and each Additional Settlement Account (one per Member, ICU, Settlement Account and Additional Settlement Account or at the discretion of HKICL more than one per Member or ICU), and branch codes which are used in conjunction with each Member's or ICU's clearing code or one of its clearing codes to identify each of a Member's branches or each of an ICU's branches, are allocated by HKICL to be used by the Members or ICUs for the purposes of the services provided by the Clearing House. No Member or ICU may use a clearing code which is allocated to another Member or ICU. Common branch codes may be allocated to different Members or ICUs, and no Member or ICU may use a branch code except in conjunction with its clearing code or one of its clearing codes. All such rights as may subsist in the clearing and branch codes are owned by HKICL and such codes may be used by it for all purposes connected with or incidental to its businesses.

4.4.2 A CHATS Transaction effected by or in favour of a Member for the account of an ICU shall only be made if the ICU has a valid and subsisting clearing code.

4.4.3 The clearing code of an ICU shall be cancelled by HKICL in the event that:

4.4.3.1 the ICU becomes insolvent, is unable to pay its debts as they fall due or is the subject of a winding up petition or other like process and SI after obtaining the consent of MA instructs HKICL to cancel the clearing code of the ICU;

4.4.3.2 Clearing Facilities of the Member of an ICU are suspended.

4.4.4 HKICL shall as soon as practicable inform all Members of the cancellation of the clearing code of an ICU.

4.5 Outsourcing by Members

Members may outsource any of their systems required for the purpose of participation in the Clearing House. In so doing Members shall exercise reasonable skill and care in choosing the outsourcing party. Each of SI and HKICL is authorised to deal with any such outsourcing party notified to it as being

authorised to act on such Member's behalf provided that the Member shall be responsible for all acts, omissions, neglects or defaults of its outsourcing party and such Member appointing an outsourcing party will indemnify each of SI and HKICL from all liabilities arising out of or incurred as a result of the acts, omissions, neglects or defaults of its outsourcing party and all liabilities arising out of or incurred by SI or HKICL by virtue of any dealings by SI or HKICL with an outsourcing party of a Member which it would not have incurred if SI or HKICL had dealt with that Member directly.

4.6 Intra Member Payments

For the avoidance of doubt, it is declared that (a) a Sending Member may make funds transfers to itself as Receiving Member in respect of CHATS Transactions (including transfers effected pursuant to CHATS Payment Instructions and CCP Instructions); and (b) OTC Clear may initiate OTC Clear Debit Requests to the Clearing House Computer for generation of OTC Clear Payment Instructions to make funds transfers from the paying Member referred to in Rule 6.3.8.3(a) to the bank Member designated by OTC Clear being the same as the paying Member.

Part V Refusal/Suspension of Clearing Facilities

5.1 Clearing Facilities shall be refused forthwith by HKICL to a Member or any group of Members or all Members if HKICL receives notice in writing from SI (after SI has consulted with MA) that Clearing Facilities are to be so refused.

5.2 Clearing Facilities provided to a Member or any group of Members or all Members shall be suspended forthwith by HKICL:

(a) upon receipt by HKICL of a notice in writing from SI (with the prior consent of MA) that Clearing Facilities to such Member(s) have been suspended by SI (with the prior consent of MA) for such period as shall be stipulated in such notice; or

(b) if it becomes insolvent.

5.3 In a case to which Rule 5.1 or 5.2 applies, Clearing Facilities shall only be restored to the Member or Members in question or all such Members upon receipt by HKICL of a notice in writing to such effect from SI (with the prior consent of MA).

5.4 For the avoidance of doubt, these Rules are subject to the provisions of section 89 of the FIRO. Accordingly nothing in this Rule 5 shall be construed to require or entitle HKICL (or SI or MA) to suspend Clearing Facilities to a Member or to trigger any default event provision under these Rules in relation to a Member by reason solely of:

(a) the taking of any crisis prevention measure in relation to the Member or a group company of the Member;

(b) the occurrence of an event directly linked to the taking of any crisis prevention measure referred to in paragraph (a) of this Rule 5.4; or

(c) the occurrence of any other event that does not of itself trigger a default event provision under these Rules in relation to the Member pursuant to section 89 of the FIRO,

provided the substantive obligations (including payment and delivery obligations) applicable to the Member under these Rules continue to be performed.

5.5 If any Member's use of Clearing Facilities has been refused or suspended, HKICL shall, as soon as practicable thereafter, notify all other Members by a broadcast in the manner provided in the Operating Procedures and thereafter all other Members shall not initiate any CHATS Transactions involving the Member for which Clearing Facilities are refused or suspended while such refusal or suspension shall continue in effect.

5.6 In the event that it appears that part or all of the Clearing Facilities are inoperable, HKICL may at any time after consultation with SI and MA, declare by notice in writing to all Members that all or part of the Clearing Facilities will be suspended for the Working Day on which the notice is given and shall provide information as to which (if any) of the Clearing Facilities will be available.

5.7 At the end of each Non-Clearing Day, HKICL will consult with SI and MA with a view to determining whether and the extent to which Clearing Facilities will be resumed for the following Working Day. After such consultation HKICL will give notice in writing to all Members as to which of the Clearing Facilities will be available on the next Working Day.

5.8 At any time during a Non-Clearing Day, HKICL may at any time after consultation with SI and MA declare by notice in writing to all Members that part or all of the Clearing Facilities which have been suspended on that Non-Clearing Day shall resume normal operation.

5.9 During a Non-Clearing Day, the Clearing Facilities shall be operated in accordance with the Operating Procedures and any other circulars issued by HKICL dealing with the operation of the Clearing Facilities

during periods of suspension.

5.10 The resumption of normal operation of the Clearing Facilities shall be in accordance with the Operating Procedures.

5.11 MA may by notice in writing to HKICL suspend the operation of SI under these Clearing House Rules. HKICL shall as soon as practicable notify all Members by a broadcast in the manner provided in the Operating Procedures. For so long as such suspension continues, no settlement of any payments shall take place under these Clearing House Rules. Outstanding CHATS Payment Instructions and OTC Clear Payment Instructions shall be queued and cancelled at CHATS Value Date Cut-off. Members may perform the MBT functions as usual except that no payment shall be settled.

5.12 Neither MA nor SI nor HKICL shall owe any duty or incur any liability to any Member, any ICU, any TPU, any correspondent bank of a Service Provider, any customer of a Member, or any other person whatsoever by the giving of any notice pursuant to or purporting to be given pursuant to this Rule 5 or by the failure to give or any delay in giving any such notice. HKICL shall incur no liability to any Member, any ICU, any TPU, any correspondent bank of a Service Provider or any other person whatsoever for the consequences of acting on these Clearing House Rules and any such notice. Each Member hereby agrees to indemnify MA, SI and HKICL against any liabilities of the type referred to in this Rule, or incurred by either of MA, SI or HKICL to any ICU or any TPU of that Member, or to any of the correspondent banks of that Member if it is a Service Provider, in each case in their capacities as such.

Part VI CHATS

6.1 Introduction

6.1.1 Each Member shall access CHATS via the SWIFT network or HKICL network. Payment instructions effected through CHATS and their related requests shall be in designated format as stipulated in the Operating Procedures.

6.1.2 Only Members may be connected to the Clearing House Computer through the eMBT (via the SWIFT network) and iMBT (via the HKICL network and/or internet) as provided in Rule 6.2 to perform operational, administrative and monitoring functions related to CHATS as stipulated in the Operating Procedures.

6.1.3 Requests for enhancement of or changes relating to CHATS by Members shall be submitted by that Member to HKICL for transmission to SI to decide whether they should be implemented, subject in each case to prior consultation with MA.

6.1.4 The provisions of this part relating to CHATS Transactions effected by way of Special Posting shall be subject to the provisions of Rule 6.11.

6.2 MBT

6.2.1 Each Member connecting its terminal to the Clearing House Computer through the eMBT (via the SWIFT network) and/or iMBT (via the HKICL network) is required to also be able to connect to the Clearing House Computer through the iMBT (via internet) as a contingency in case it is unable to connect to the eMBT through the SWIFT network and/or iMBT through the HKICL network.

6.2.2 Each Member shall at its own cost install and maintain in good order a terminal which can access the MBT as prescribed or approved by HKICL from time to time. Use of the terminal which can access the MBT shall be restricted to that Member's authorised personnel who use passwords or other systems to ensure only authorised personnel of that Member may access the MBT. HKICL is authorised to rely and act on instructions using such passwords or systems. Members shall be liable for all consequences of misuse of such passwords or other systems.

6.2.3 Each Member must connect its terminal to the MBT in order to connect to the Clearing House Computer. A terminal must be a computer or intelligent terminal device (i) which (in the case of the eMBT) is installed with software provided by SWIFT and which can access the eMBT in order to connect to the Clearing House Computer via the SWIFT network, or (ii) which (in the case of the iMBT) can access the iMBT in order to connect to the Clearing House Computer via the HKICL network and/or internet, as the case may be. The connection must undergo formal verification and connection tests with final approval being at the discretion of HKICL. All telecommunications charges or charges levied by SWIFT relating to the connection shall be borne by the relevant Member.

6.2.4 Each Member shall strictly observe and comply with the guidelines as stipulated in the relevant Operating Procedures relating to its access or use of the MBT and/or the operation of the Clearing Facilities by it.

6.2.5 Requests for enhancement of or changes to the MBT functions provided by HKICL by Members shall be submitted by that Member to HKICL for transmission to SI to decide whether they should be implemented, subject in each case to prior consultation with MA.

6.2.6 All software, data, specifications and similar intellectual property comprised within the MBT are owned by, or licensed to, HKICL and may not be copied, downloaded, distributed or published in any way without the prior written consent of HKICL. Members may utilise such proprietary information of HKICL solely for the purposes of performing operational, administrative and monitoring functions relating to CHATS as stipulated in the Operating

Procedures, and in accordance with the Clearing House Rules.

6.2.7 HKICL provides access to the MBT on an "as is" basis, and save as provided in these Rules, makes no representation as to, and does not warrant, the accuracy or completeness of the MBT or data derived from its use (including for the avoidance of doubt accuracy or completeness of any information in any fraud detection or other tools provided by HKICL to Members via the MBT separate from the clearing and settlement functions provided by HKICL pursuant to these Rules). HKICL gives no warranties, express, implied or statutory, of any kind, including without limitation as to the merchantability, fitness for a particular purpose, title, non-infringement of third party rights or freedom from viruses, worms, trojan horses or other contaminating programming or code relating to the use of the MBT, except to the extent the same cannot be excluded or limited at law or as otherwise given in these Rules.

6.2.8 To the fullest extent permitted by law (and subject only to the provisions of Rule 2.3 of the Clearing House Rules), HKICL shall not be liable for, and expressly excludes any such liability for, any direct, indirect, consequential, special or incidental damage, loss or expense, whether caused by negligence or otherwise, which arises directly or indirectly as a consequence of the use of (or inability to use) the MBT, whether or not HKICL has been notified of the possibility of such damage, loss or expense.

6.2.9 [This provision has been left blank intentionally]

6.3 Settlement of CHATS Transactions

6.3.1 CHATS Payment Instruction Value Today

6.3.1.1 A CHATS Payment Instruction Value Today will not be effected or settled through CHATS unless the available balance in the Sending Member's Designated Settlement Account for the time being is sufficient to make the payment referred to in such payment instruction. In case the available balance in the relevant Sending Member's Designated Settlement Account is insufficient to make such payment, the relevant CHATS Payment Instruction Value Today, unless subsequently cancelled, will remain in the Normal Queue until either:

(a) such time as the available balance is sufficient to meet such payment instruction when it is first in priority in the Normal Queue, and in such case, the CHATS Payment Instruction Value Today will be effected automatically; or

(b) the CHATS Value Date Cut-off and in such case, the CHATS Payment Instruction Value Today will be cancelled automatically.

This provision shall not apply to CHATS Payment Instructions Value Today in the Pending Queue.

6.3.1.2 Subject to Rule 6.3.1.1, a funds transfer initiated by a CHATS Payment Instruction Value Today will be settled through CHATS immediately upon the completion of its processing.

6.3.1.3 In a case to which Rule 6.3.1.1(a) applies, the relevant CHATS Payment Instruction Value Today will be settled through CHATS immediately upon the completion of its processing.

6.3.1.4 Settlement of a CHATS Payment Instruction Value Today will be effected across the books of SI pursuant to Rules 3.1.4 and 3.1.5 by debiting the Designated Settlement Account of the Sending Member for the funds transferred and crediting the same to the Designated Settlement Account of the Receiving Member.

6.3.1.5 A Member shall be entitled to re-sequence the Normal Queue of its CHATS Payment

Instructions Value Today at any time prior to the CHATS Value Date Cut-off or to transfer CHATS Payment Instructions Value Today from the Normal Queue to the Pending Queue or vice versa before the specified time as stipulated in the Operating Procedures. However, a Member can only cancel its CHATS Payment Instructions Value Today in the Normal Queue and the Pending Queue up to the CHATS Customer Cut-off time. This Rule 6.3.1.5 is subject to Rule 6.12.8.

6.3.1.6 Rules 6.3.1.1 to 6.3.1.5 shall in all respects be subject to the arrangements provided for in the Operating Procedures in relation to the CMU Optimiser Runs and to that extent the Operating Procedures shall prevail over Rules 6.3.1.1 to 6.3.1.5.

6.3.2 CHATS Payment Instruction Value Forward Day

6.3.2.1 Members may not make payments/funds transfers through CHATS for value dates later than the last of the Supported Forward Days.

6.3.2.2 CHATS Payment Instructions Value Forward Day will be stored in the Clearing House Computer and will not be processed or settled until the value day specified.

6.3.2.3 CHATS Payment Instruction Value Forward Day will be automatically processed for settlement after the CHATS Commencement on the relevant Supported Forward Day ("Value Day") in the same way and manner as CHATS Payment Instructions Value Today input during that Value Day and all provisions in Rule 6.3.1 shall apply.

6.3.3 CCP Instructions

6.3.3.1 A CCP Instruction will not be effected or settled through CHATS except on a Working Day between CCPMP Commencement and CCPMP Cut-off and unless:

(a) the Clearing House Computer has received a positive validation of the CCP Instruction from CCPMP; and

(b) the available balance in the Sending Member's Designated Settlement Account for the time being is sufficient to settle the CCP Instruction. This provision shall not apply to CCP Instructions in the Pending Queue.

6.3.3.2 If Rule 6.3.3.1 (b) is not complied with, the CCP Instruction will remain in the Normal Queue until:

(a) the available balance in the Sending Member's Designated Settlement Account is sufficient to settle the CCP Instruction when it is first in priority in the Normal Queue, and in such case, the CCP Instruction will be effected in accordance with Rules 6.3.3.3 and 6.3.3.5;

(b) the CCP Instruction is being selected in an RTGS Liquidity Optimiser process, and in such case, the CCP Instruction will be processed pursuant to Rule 6.12; or

(c) either CCPMP Cut-off or CHATS Bank Cut-off, whichever is the earlier, when the CCP Instruction will be cancelled automatically.

6.3.3.3 A hold up to the transaction amount will be applied to the Sending Member's Designated Settlement Account as soon as (i) a CCP Instruction complies with Rule 6.3.3.1 or (ii) a CCP Instruction is selected in an RTGS Liquidity Optimiser process (provided that such CCP Instruction is not excluded pursuant to Rule 6.12.4) and such RTGS Liquidity Optimiser process is completed successfully.

6.3.3.4 Subject to Rule 6.12.8 and save as provided for in the Operating Procedures in relation to CMU Optimiser Run, a Member shall be entitled to re-sequence the Normal Queue

of its CCP Instructions or to transfer CCP Instructions from the Normal Queue to the Pending Queue or vice versa before the specified time as stipulated in the Operating Procedures or cancel any of its CCP Instructions in the Normal Queue and the Pending Queue at any time prior to such holding.

6.3.3.5 The funds held in the Sending Member's Designated Settlement Account under Rule 6.3.3.3 will only be released to the Receiving Member by debiting the Sending Member's Designated Settlement Account and crediting the Receiving Member's Designated Settlement Account by SI pursuant to Rules 3.1.4 and 3.1.5, if CCPMP confirms that the Corresponding Payment will be settled at the same time.

6.3.3.6 The hold on the funds in the Sending Member's Designated Settlement Account will be released if a notification to that effect is sent by CCPMP to the Clearing House Computer, when CCPMP cannot confirm that the Corresponding Payment will be settled at the same time.

6.3.3.7 Members may not give CCP Instructions Value Forward Day for a value date later than the last of the Supported Forward Days.

6.3.3.8 CCP Instructions Value Forward Day will be stored in the Clearing House Computer on receipt. A hold of funds will only be applied pursuant to Rule 6.3.3.3 and in accordance with Rule 6.3.3.1 after CHATS Commencement on the relevant Supported Forward Day and settlement will only take place after the relevant funds have been held and after CCPMP Commencement on the relevant Working Day, subject to Rule 6.3.3.9.

6.3.3.9 CCP Instructions for value as of a date on which the clearing house for the Corresponding Payment is not open, will be rejected.

6.3.4 Direct Debit Instruction Value Today

6.3.4.1 A Direct Debit Instruction Value Today will be settled immediately in case the available balance in the Member's Designated Settlement Account for the time being is sufficient to make the payment referred to in such payment instruction. In case the available balance in the relevant Member's Designated Settlement Account is insufficient to make such payment, the relevant Direct Debit Instruction Value Today unless subsequently cancelled, will remain in the Normal Queue (ahead of the other CHATS Transactions) until either:

(a) such time as the available balance is sufficient to meet such payment instruction when it is first in priority in the Normal Queue, and in such case, the Direct Debit Instruction Value Today will be effected automatically; or

(b) the End of Day Cut-off and in such case, the Direct Debit Instruction Value Today will be cancelled automatically.

6.3.4.2 Subject to Rule 6.3.4.1, a payment initiated by a Direct Debit Instruction Value Today will be settled through CHATS immediately upon the completion of its processing.

6.3.4.3 In a case to which Rule 6.3.4.1(a) applies, the relevant Direct Debit Instruction Value Today will be settled through CHATS immediately upon the completion of its processing.

6.3.4.4 Settlement of a Direct Debit Instruction Value Today will be effected across the books of SI pursuant to Rules 3.1.4 and 3.1.5 by debiting the Designated Settlement Account for the payment.

6.3.4.5 SI shall be entitled to re-sequence the Normal Queue of Direct Debit Instruction Value Today or cancel any of the Direct Debit Instructions Value Today in the Normal Queue

at any time prior to the End of Day Cut-off.

6.3.4.6 Rules 6.3.4.1 to 6.3.4.5 shall in all respects be subject to the arrangements provided for in the Operating Procedures in relation to the CMU Optimiser Runs and to that extent the Operating Procedures shall prevail over Rules 6.3.4.1 to 6.3.4.5.

6.3.5 Direct Debit Instruction Value Forward Day

6.3.5.1 Direct Debit Instruction Value Forward Day will be stored in the Clearing House Computer and will not be processed or settled until the relevant Supported Forward Day.

6.3.5.2 Direct Debit Instruction Value Forward Day will be automatically processed for settlement after the CHATS Commencement on the relevant Supported Forward Day ("Value Day") in the same way and manner as Direct Debit Instruction Value Today received by the Clearing House Computer during that Value Day and all provisions in Rule 6.3.4 shall apply.

6.3.6 Direct Credit Instruction Value Today

6.3.6.1 A payment initiated by a Direct Credit Instruction Value Today will be settled through CHATS immediately upon the completion of its processing.

6.3.6.2 Settlement of a Direct Credit Instruction Value Today will be effected across the books of SI pursuant to Rules 3.1.4 and 3.1.5 by crediting the Designated Settlement Account for the payment.

6.3.7 Direct Credit Instruction Value Forward Day

6.3.7.1 Direct Credit Instruction Value Forward Day will be stored in the Clearing House Computer and will not be processed or settled until the relevant Supported Forward Day.

6.3.7.2 Direct Credit Instruction Value Forward Day will be automatically processed for settlement after the CHATS Commencement on the relevant Supported Forward Day ("Value Day") in the same way and manner as Direct Credit Instruction Value Today received by the Clearing House Computer during that Value Day and all provisions in Rule 6.3.6 shall apply.

6.3.8 OTC Clear Payment Instruction

6.3.8.1 Only Members who have registered with HKICL in accordance with the Operating Procedures to participate in the money settlement of OTC Clear Payment Instructions via CHATS may so participate.

6.3.8.2 OTC Clear will make OTC Clear Debit Requests according to the Operating Procedures. An OTC Clear Debit Request transmitted or delivered by OTC Clear to the Clearing House Computer will be validated in accordance with the validation criteria stipulated in the Operating Procedures. An OTC Clear Payment Instruction Value Today or OTC Clear Payment Instruction Value Forward Day will be generated according to the intended value day referred to in the corresponding OTC Clear Debit Request. For the avoidance of doubt, an OTC Clear Debit Request which requests for the generation of an OTC Clear Payment Instruction Value Today received after the CHATS Bank Cut-off will be rejected.

6.3.8.3 OTC Clear Payment Instruction Value Today

(a) An OTC Clear Payment Instruction Value Today generated in accordance with Rule 6.3.8.2 will be added to the Normal Queue or Pending Queue of the relevant

Member (in this Rule 6.3.8.3 and in Rules 6.3.8.5, 6.11.3, 6.11.4.3, Section 2 of Rainstorm Procedures and Section 3 of Typhoon Procedures the "paying Member") according to the criteria stipulated in the Operating Procedures.

(b) An OTC Clear Payment Instruction Value Today in the Normal Queue will not be effected or settled through CHATS unless the available balance in the paying Member's Designated Settlement Account for the time being is sufficient to make the payment referred to in such payment instruction. In case the available balance in the relevant paying Member's Designated Settlement Account is insufficient to make such payment, the relevant OTC Clear Payment Instruction Value Today, unless subsequently cancelled, will remain in the Normal Queue until either:

(i) such time as the available balance is sufficient to meet such payment instruction when it is first in priority in the Normal Queue, and in such case, the OTC Clear Payment Instruction Value Today will be effected automatically; or

(ii) the CHATS Value Date Cut-off and in such case, the OTC Clear Payment Instruction Value Today will be cancelled automatically.

This provision shall not apply to OTC Clear Payment Instructions Value Today in the Pending Queue.

(c) Subject to Rule 6.3.8.3(b), a funds transfer initiated by an OTC Clear Payment Instruction Value Today will be settled through CHATS immediately upon the completion of its processing.

(d) In a case to which Rule 6.3.8.3(b)(i) applies, the relevant OTC Clear Payment Instruction Value Today will be settled through CHATS immediately upon the completion of its processing.

(e) Settlement of an OTC Clear Payment Instruction Value Today will be effected across the books of SI pursuant to Rule 3.1.4 by debiting the Designated Settlement Account of the paying Member for the funds transferred and crediting the same to the Designated Settlement Account of a bank Member designated by OTC Clear in accordance with the Operating Procedures.

(f) A paying Member shall be entitled to re-sequence the Normal Queue of its OTC Clear Payment Instructions Value Today at any time prior to the CHATS Value Date Cut-off or to transfer OTC Clear Payment Instructions Value Today from the Normal Queue to the Pending Queue or vice versa before the specified time as stipulated in the Operating Procedures. However, a paying Member can only cancel its OTC Clear Payment Instructions Value Today in the Normal Queue and the Pending Queue up to the CHATS Customer Cut-off time. This Rule 6.3.8.3(f) is subject to Rule 6.12.8.

(g) Rules 6.3.8.3(a) to (f) shall in all respects be subject to the arrangements provided for in the Operating Procedures in relation to the CMU Optimiser Runs and to that extent the Operating Procedures shall prevail over Rules 6.3.8.3(a) to (f).

6.3.8.4 OTC Clear Payment Instruction Value Forward Day

(a) An OTC Clear Debit Request for the generation of an OTC Clear Payment Instruction Value Forward Day for effecting payments through CHATS may not be made for value dates later than the last of the Supported Forward Days.

(b) OTC Clear Payment Instructions Value Forward Day will be stored in the Clearing House Computer and will not be processed or settled until the value day specified.

(c) OTC Clear Payment Instruction Value Forward Day will be automatically processed for settlement after the CHATS Commencement on the relevant Supported Forward Day ("Value Day") in the same way and manner as OTC Clear Payment Instructions Value Today generated during that Value Day and all provisions in Rule 6.3.8.3 shall apply.

6.3.8.5 In the event that an OTC Clear Payment Instruction is cancelled by the paying Member or by the system in accordance with the Operating Procedures, MA, SI and HKICL are not responsible and not liable to OTC Clear or the paying Member concerned for such cancellation and any claim, loss, damage, expense or other consequences directly or indirectly resulting from the cancellation.

6.4 Input Transactions

CHATS Transactions may only be input by Members addressed to themselves, other Members, SI or the Clearing House Computer or by virtue of a Special Posting.

6.5 CHATS Customer Cut-off, CHATS Bank Cut-off, CHATS Value Date Cut-off and CCPMP Cut-off

6.5.1 The current time and arrangements for CHATS Customer Cut-off, CHATS Bank Cut-off, CHATS Value Date Cut-off and CCPMP Cut-off are set out in Schedule I.

6.5.2 HKICL shall be entitled to extend CHATS Customer Cut-off, CHATS Bank Cut-off and CHATS Value Date Cut-off in the circumstances provided in Rule 6.9.1.

6.5.3 Subject to any exceptional circumstances, the CHATS Customer Cut-off, CHATS Bank Cut-off and CHATS Value Date Cut-off will procced as normal in accordance with these Rules notwithstanding any typhoon, rainstorm or Extreme Conditions.

6.5.4 The CCPMP Cut-off will continue in accordance with these Rules notwithstanding any typhoon rainstorm or Extreme Conditions.

6.6 Returns of CHATS Transactions

6.6.1 All returns of CHATS Transactions should be effected through CHATS not later than the time appointed by HKICL, such time currently being prior to the CHATS Customer Cut-off for CHATS Transactions which are customer related and CHATS Bank Cut-off for CHATS Transactions which are not customer related in each case on the Working Day immediately following the date of the original transfer, and must include in the text of the transfer the information as stipulated in the Operating Procedures.

6.6.2 A return of a CHATS Transaction may only be initiated by the Receiving Member of the transfer. If a Receiving Member is unable to apply funds from a credit transfer for any reason, then that Receiving Member must send the funds actually received through CHATS back to the original Sending Member in accordance with the procedure set out in Rule 6.6.1.

6.7 Responsibility of Members

In addition to the other provisions of these Clearing House Rules, each Member shall be responsible for the following matters:

6.7.1 the control of access by Members to the MBT and the security of the Member's terminal(s) (in the case of the eMBT) connecting to the SWIFT network and the eMBT or (in the case of the iMBT) connecting to the HKICL network and/or internet, as the case may be, and the iMBT (including security and confidentiality of passwords or other systems to ensure that only authorised personnel of Members may access the MBT), and lines, modems and other computer equipment relating thereto of the Member and the security of the transmission lines between the

Clearing House Computer and the Member's terminals having access to the MBT;

6.7.2 the operation of all equipment and software relating to the access to the eMBT and terminal(s) connecting to the SWIFT network, or relating to the access to the iMBT and the terminal(s) connecting to the HKICL network and/or internet, as the case may be;

6.7.3 ensuring that:

(a) the access to and/or use of the MBT is in full compliance with these Rules; and

(b) all data transmitted from terminals owned by, or under its control, through which it gains access to the MBT:

(i) do not infringe the copyright or other intellectual property rights of third parties; and

(ii) do not create and/or introduce into the Clearing House Computer any virus, worms, trojan horses or other destructive or contaminating program or codes; and

it shall indemnify and hold harmless HKICL and other Members against the consequences of any breach of such obligation;

6.7.4 delay or non-delivery of CHATS Transactions where the delay is due to force majeure or technical failure caused by act or omission of any carrier (including, for the avoidance of doubt, SWIFT);

6.7.5 the correct dispatch to the Clearing House Computer and the correct receipt by the Clearing House Computer of all CHATS Payment Instructions, CCP Instructions and CHATS Transactions;

6.7.6 any loss incurred due to a fraudulent transfer originating from a Member or the fraudulent insertion or alteration of a transfer between a Member and the Clearing House Computer;

6.7.7 the verification of the transfer result as shown in the MBT received from the Clearing House Computer before the processing of the transfer. If the result is not in order the Receiving Member must immediately effect a return of the transfer quoting the original transaction details and giving the reason for the return. If the transfer is returned to the Sending Member after the CHATS Customer Cut-off for CHATS Transactions which are customer related and CHATS Bank Cut-off for CHATS Transactions which are not customer related in each case immediately following the input of the transfer then any loss of interest is for the account of the Sending Member subject to Rules 6.7.8 and 6.7.9;

6.7.8 as a Sending Member, Delayed Payments in the following circumstances:

(a) if the transfer has not been accepted by the Clearing House Computer;

(b) if the Sending Member addresses a transfer incorrectly; and/or

(c) if the Sending Member ignores Clearing House Computer generated messages concerning the operational system;

6.7.9 as a Receiving Member, Delayed Payments in the following circumstances:

(a) if the Receiving Member ignores Clearing House Computer generated messages concerning the operational system;

(b) if the Receiving Member does not reconcile its settlement total as supplied by the Clearing House Computer as shown in the MBT or through the SWIFT network or the

HKICL network, and accounting totals to ensure receipt of all CHATS Transactions involving funds transfers; and/or

(c) if a Receiving Member is not connected to the MBT, or SWIFT network or the HKICL network, or unable to receive information relating to transfers;

6.7.10 such Member's failure to report discrepancies for CHATS Transactions as shown in the MBT to the Officer-in-Charge of HKICL within two hours of a CHATS Value Date Cut-off.

6.8 Responsibility of Service Provider

6.8.1 A Member may register as a Service Provider with HKICL and once its registration is successful, it shall provide HKICL with a list of its correspondent banks in accordance with the schedules and requirements specified in the Operating Procedures.

6.8.2 When a Service Provider provides HKICL with any information relating to it, in its capacity as a Service Provider, and its correspondent banks (including, without limitation, any lists and other information provided under Rule 6.8.1):

(a) it will take all reasonable steps to ensure the correctness of such information and in particular, but without limitation, the correctness of any such information provided in Electronic Media;

(b) it will authorise HKICL to disclose such information to HKICL's sub-contractor for the posting of such information on HKICL's website and to other Members or other persons; and

(c) it will indemnify HKICL and SI against all liabilities and expenses incurred by either of them arising out of or in relation to its failure to comply with Rule 6.8.2(a).

6.8.3 Notwithstanding the provisions of Rule 6.8.2, HKICL and SI shall incur no liability to any Members or any other persons arising out of or in relation to any information relating to Service Providers and their correspondent banks appearing on the HKICL's website.

6.8.4 A Service Provider which receives a Regional CHATS Payment for the account of one of its correspondent banks shall promptly on receipt thereof pay the amount of that Regional CHATS Payment to the relevant correspondent bank.

6.8.5 For the avoidance of doubt, (a) any funds transfer by a Service Provider to a correspondent bank for the purposes of a Regional CHATS Payment will not be effected through CHATS, and (b) except as provided for in Rule 6.8.4, these Rules shall not apply to any such transfer. Neither HKICL nor SI shall incur any liability arising out of or in relation to any such transfer or a Service Provider's delay or failure to pay a Regional CHATS Payment to a correspondent bank and the relevant Service Provider shall indemnify HKICL and SI in respect of all liability incurred by either of them arising out of or in relation to any such transfer or by reason of any such delay or failure.

6.8.6 A correspondent bank of a Service Provider shall not be a Member and shall have no rights or obligations vis-à-vis Members, SI or HKICL. All rights and obligations vis-à-vis Members, SI or HKICL arising out of or in relation to the making of a Regional CHATS Payment shall be the rights and obligations of the Member making the Regional CHATS Payment and the Service Provider receiving it.

6.9 Emergencies

6.9.1 In the event that (i) communications between (a) the Clearing House Computer and both the SWIFT network and the HKICL network; (b) both the SWIFT network and the HKICL network and one or more of the Members; (c) the Clearing House Computer and CCPMP; or (d) the Clearing House Computer and OTC Clear are halted, (ii) if the Clearing House Computer or

OTC Clear system is closed down or (iii) if some other emergency affects its operation, CHATS Transactions shall be handled in accordance with the Operating Procedures, if applicable, or by virtue of a Special Posting. HKICL may under the instruction of SI after SI has consulted with MA:

(a) extend the CHATS Customer Cut-off and/or CHATS Bank Cut-off and/or CHATS Value Date Cut-off and/or CCPMP Cut-off;

(b) direct any, all or some of the Members not to make payments through CHATS awaiting resolution of the problem; and/or

(c) direct such other action as it may deem necessary or as required by SI after consultation with MA.

6.9.2 During any such emergency all Members should limit their communications with the Clearing House Computer and HKICL to those which are essential.

6.10 Receiving Members

No Receiving Member or Service Provider shall be obliged to credit any funds received by it through CHATS to the beneficiary's account if the instructions for the transfer are incomplete or inaccurate.

6.11 Special Posting

6.11.1 Special Posting Request

This contingency arrangement will be invoked when (a) the computer of any of the Members, or (b) the Clearing House Computer has failed to connect to the SWIFT network and the HKICL network for delivery of CHATS transactions. The Members who require Special Posting, or any Member when it is requested by HKICL to do so, should prepare a Special Posting authorisation letter and the instructions for Special Posting in electronic format and submit them to HKICL for triggering the operation of the Special Posting. A request for Special Posting shall be made during the period referred to in the Operating Procedures. Any request submitted after that period shall be subject to the prior approval of HKICL and SI (after SI has consulted with MA). Details of the notification and approval arrangements are stipulated in the Operating Procedures.

6.11.1.1 The lay-out of instructions submitted to the Clearing House by Members by Electronic Media shall comply with the requirements set out in the Operating Procedures.

6.11.1.2 Payment instructions for Supported Forward Days will not be effected by Special Posting.

6.11.2 Indemnity

A Member which submits to the Clearing House instructions relating to Special Posting transactions in Electronic Media:

(a) will be responsible for the correctness of the contents of the instructions submitted;

(b) authorises HKICL not to process any one transaction which fails certain validation criteria implemented by HKICL from time to time and set out in the Operating Procedures;

(c) indemnifies HKICL and SI against all liabilities and expenses incurred by either of them as a result of any error or discrepancy in the instructions or otherwise.

6.11.3 Settlement of Special Posting Transactions

It is the Sending Member's responsibility (or in relation to an OTC Clear Payment Instruction, the responsibility of the paying Member of the OTC Clear Payment Instruction) to ensure that there are sufficient funds in its Designated Settlement Account for settlement of Special Posting transactions. Any Special Posting transactions not settled by the cut-off times for the respective payment instructions on the day of the request for Special Posting will be cancelled.

6.11.3.1 Any Special Posting transaction which passes validation criteria will be treated as a normal payment instruction and processed in the same way and manner as the payment instruction from which it originated.

6.11.3.2 Settlement of Special Posting transactions will be effected across the books of SI pursuant to Rules 3.1.4 and 3.1.5 by debiting the Designated Settlement Account of the Sending Member (or in relation to an OTC Clear Payment Instruction, the paying Member of the OTC Clear Payment Instruction) for the funds transferred and crediting to the Designated Settlement Account of the respective Receiving Members (or in relation to an OTC Clear Payment Instruction, the bank Member designated by OTC Clear in accordance with the Operating Procedures in relation to the settlement of OTC Clear Payment Instructions).

6.11.4 Responsibility of Members

6.11.4.1 Sending Members should verify the details of instructions shown on the data capture report or response file provided to them by HKICL and follow the procedures as stipulated in the Operating Procedures.

6.11.4.2 Sending Members should reconcile the Special Posting report produced at the end of posting provided to them by HKICL and report discrepancies to HKICL immediately.

6.11.4.3 For the avoidance of doubt, this Rule 6.11.4 does not apply to paying Members in relation to the OTC Clear Payment Instructions.

6.12 RTGS Liquidity Optimiser

Between the CHATS Commencement and CHATS Value Date Cut-off, RTGS Liquidity Optimiser effected through CHATS can be triggered automatically according to a pre-defined interval or manually by SI.

6.12.1 When RTGS Liquidity Optimiser process starts, eligible CHATS Transactions in the Normal Queue as specified in the Operating Procedures will be extracted ("Selected Payments").

6.12.2 The projected balance of the Designated Settlement Accounts for each paying Member of the Selected Payments ("Selected Payment Member") based on assumed settlement of the Selected Payments will be computed in accordance with the formula as stipulated in the Operating Procedures.

6.12.3 If the projected balances of each Selected Payment Members are found positive or zero, the gross amount of the Selected Payments, save in respect of the CCP Instructions being extracted as Selected Payments, will each be effected through CHATS automatically and settled immediately upon completion of its processing and effected across the books of SI pursuant to Rules 3.1.4 and 3.1.5 by debiting and crediting the Designated Settlement Accounts for the funds transferred. The CCP Instructions being extracted as Selected Payments will be processed pursuant to Rules 6.3.3.3 and 6.3.3.5.

6.12.4 In case the projected balances of the Designated Settlement Account for some Selected Payment Members are negative, the system will try to exclude the Selected Payments of such Selected Payment Members based on the criteria as specified in the Operating Procedures in order to

reach positive or zero projected balances of each of the Selected Payment Members. Selected Payments which are excluded from the RTGS Liquidity Optimiser will be placed back to the Normal Queue.

6.12.5 CHATS Transactions received by Clearing House Computer after commencement of the RTGS Liquidity Optimiser process will not be processed as part of that process and will be placed at the end of the Normal Queue and processed in due course in accordance with these Rules provided that Direct Debit Instructions will be placed at the top of the Normal Queue.

6.12.6 Under any of the following situations, the process of RTGS Liquidity Optimiser will be terminated:

(a) all Selected Payments are excluded in the process of Rule 6.12.4;

(b) the process of the RTGS Liquidity Optimiser has not been completed prior to CHATS Value Date Cut-off;

(c) any Selected Payment Member(s) or relevant Receiving Member(s) is/are in default or if it is/are insolvent;

(d) the processing time exceeds the maximum processing time defined for each RTGS Liquidity Optimiser run from time to time as stipulated in the Operating Procedures; or

(e) any of the specific critical events which are stipulated in the Operating Procedures is activated.

6.12.7 On termination of the process of RTGS Liquidity Optimiser pursuant to Rule 6.12.6, all relevant Selected Payments and any CHATS Transactions received by Clearing House Computer after commencement of the process of RTGS Liquidity Optimiser will be reinstated in the Normal Queue as if the process of the RTGS Liquidity Optimiser had not been commenced.

6.12.8 Requests for re-sequencing and cancellation of its payments in the Normal Queue (including the Selected Payments and other CHATS Transactions) initiated by the Selected Payment Member after the start of RTGS Liquidity Optimiser process and before completion or termination of the process will be rejected.

6.13 Interbank Intraday Liquidity Facility

The IILF shall be made available through CHATS between the CHATS Commencement and CHATS Value Date Cut-off by Liquidity Providers to Liquidity Consumers in accordance with this Rule.

6.13.1 Liquidity Providers shall indicate their willingness to participate in the IILF by registering with HKICL. Liquidity Providers shall also on behalf of the Liquidity Consumers with whom they have agreed to provide liquidity through IILF register those Liquidity Consumers with HKICL indicating their Liquidity Consumers' desire to obtain liquidity from the Liquidity Providers under the IILF. Liquidity Consumers may only obtain liquidity through IILF from one Liquidity Provider and:

(a) prior to registration Liquidity Providers and Liquidity Consumers shall separately agree among themselves on a bilateral basis the terms on which liquidity through IILF is provided including the intra-day and overnight interest rates;

(b) after registration, the relevant Liquidity Provider shall maintain in the records of HKICL via the MBT:

(i) the limit of the IILF for the time being assigned by it to each Liquidity Consumer, which limit may be amended by the Liquidity Provider via the MBT at any time without prior notice to HKICL or the Liquidity Consumer;

(ii) the priority arrangement by it to each Liquidity Consumer in the event that it has more than one Liquidity Consumer and provision of liquidity is triggered by more than one Liquidity Consumer at the same time and all such requests cannot be met in full; and

(iii) the intra-day and overnight interest rates agreed with each Liquidity Consumer;

(c) HKICL shall publicise on the members' section of its website the names and contact details of registered Liquidity Providers.

6.13.2 The provision of liquidity through IILF process is triggered automatically during the RTGS Liquidity Optimiser process.

6.13.3 If a Liquidity Provider is a Selected Payment Member in the RTGS Liquidity Optimiser process, the provision of liquidity through IILF by such Liquidity Provider will not be triggered in that process.

6.13.4 If a Liquidity Provider is not a Selected Payment Member in the RTGS Liquidity Optimiser process and a Liquidity Consumer to which the Liquidity Provider has agreed to provide liquidity through IILF is a Selected Payment Member in the RTGS Liquidity Optimiser process, the projected balance as stipulated in Rule 6.12.2 shall take into account the available IILF limit specified in Rule 6.13.1(b)(i) to the extent required to make the projected balance of the Liquidity Consumer positive or zero. Should the IILF be taken into account to the extent required to make the projected balance of a Liquidity Consumer positive or zero as provided in the previous sentence, there shall be a deemed request for the provision of liquidity through IILF by the Liquidity Consumer in that amount from the Liquidity Provider to the Liquidity Consumer. The ultimate liquidity drawn by Liquidity Consumer out of the available IILF limit and the detailed arrangements are stipulated in the Operating Procedures.

6.13.5 If more than one Liquidity Consumer are deemed to make a request pursuant to Rule 6.13.4 from the same Liquidity Provider, and such Liquidity Provider does not have sufficient funds to fulfil the requests of all such Liquidity Consumers, the available amounts under the IILF from that Liquidity Provider will be allocated to each Liquidity Consumer according to the priority specified by the Liquidity Provider in Rule 6.13.1(b)(ii).

6.13.6 The lending under the IILF is effected through the settlement of a CHATS Payment Instruction Value Today with a designated payment code indicating that it is a payment of principal under the IILF ("IILF Payment Instruction") generated by HKICL to debit the Liquidity Provider's Settlement Account and credit the Liquidity Consumer's Settlement Account.

6.13.7 Liquidity provision through IILF by a Liquidity Provider to one or more of its Liquidity Consumers may also be triggered manually by such Liquidity Provider inputting an IILF Payment Instruction.

6.13.8 For each settled IILF Payment Instruction, the Liquidity Consumer shall be under an obligation to repay the Liquidity Provider the amount of the IILF Payment Instruction (i.e. principal) and an intra-day interest calculated based on the IILF Payment Instruction. The intra-day interest rate is assigned by the Liquidity Provider to each of its Liquidity Consumer(s) by separate agreement and maintained by the Liquidity Provider in the records of HKICL via the MBT under Rule 6.13.1(b)(iii).

6.13.9 The total outstanding IILF repayable amount of a Liquidity Consumer in respect of each Working Day includes:

(a) the amount of all settled IILF Payment Instruction(s) of the current day not yet repaid by the Liquidity Consumer; and

(b) intra-day interest of the current day not yet paid by the Liquidity Consumer for which the calculation of such interest is stipulated in the Operating Procedures.

6.13.10 If there is any outstanding IILF repayable amount of a Liquidity Consumer as defined in Rule 6.13.9, the repayment process for the Liquidity Consumer will be triggered automatically by HKICL according to the scheduled repayment time on each Working Day determined by SI and subject to change from time to time. CHATS Payment Instructions Value Today with different designated payment codes indicating they are either repayments of outstanding IILF Payment Instructions or payments of outstanding intra-day interest under the IILF (collectively known as "IILF Repayment Instructions") will be generated by HKICL to debit the Liquidity Consumer's Settlement Account and credit the Liquidity Provider's Settlement Account to repay the outstanding (i) IILF Payment Instruction (i.e. principal); and (ii) intra-day interest separately.

6.13.11 An IILF Repayment Instruction may also be triggered manually by a Liquidity Consumer to its Liquidity Provider by the Liquidity Consumer inputting such an instruction.

6.13.12 If the Liquidity Consumer has insufficient funds to meet the total outstanding IILF repayable amount, the IILF Repayment Instructions will still be generated by HKICL to partially repay the outstanding IILF repayable amount. The detailed arrangements are stipulated in the Operating Procedures.

6.13.13 If there is any outstanding IILF Payment Instruction of Liquidity Consumer after CHATS Value Date Cut-off, an overnight interest assigned by the Liquidity Provider to the Liquidity Consumer and maintained by the Liquidity Provider in the records of HKICL via the MBT under Rule 6.13.1(b)(iii) shall apply. HKICL shall then calculate the overnight interest according to the formula stipulated in the Operating Procedures and provide such information to the Liquidity Provider and Liquidity Consumer. However, the overnight interest, together with the outstanding IILF repayable amount, shall be settled outside of the CHATS after CHATS Value Date Cut-off between the Liquidity Provider and Liquidity Consumer, and SI and HKICL shall have no further involvement.

Part VII Miscellaneous

7.1 Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)

7.1.1 Each Member represents to HKICL that:

(a) all Personal Data provided by it to HKICL:

(i) have been collected by lawful means; and

(ii) are accurate in all material respects so far as it is aware;

(b) in relation to Personal Data collected by it all necessary consents required from Data Subjects have been obtained:

(i) to enable Personal Data to be used for the purpose of the operation of the Clearing House in accordance with these Clearing House Rules;

(ii) to enable Personal Data to be transferred to any other person to the extent necessary for the purpose of the operation of the Clearing House in accordance with these Clearing House Rules; and

(iii) to enable HKICL to provide Personal Data to any party pursuant to any obligation binding upon it under the Personal Data (Privacy) Ordinance;

(c) it has complied in all respects with the provisions of the Personal Data (Privacy) Ordinance; and

(d) use of the MBT and any equipment through which Members gain access to the MBT complies with all applicable data protection laws, codes of practices and licences.

7.1.2 Each Member confirms that the collection, use and retention of Personal Data by any outsourcing party in relation to the operation of the Clearing House and the Clearing Facilities pursuant to these Rules comply with all relevant laws and regulations in Hong Kong.

7.2 Contracts (Rights of Third Parties) Ordinance, Cap. 623 of the Laws of Hong Kong

7.2.1 Save in respect of MA, a person who is not a party to these Clearing House Rules pursuant to Rule 2.7 shall not have any rights to enforce or enjoy the benefit of any term or provision of these Clearing House Rules, and the application of the Contracts (Rights of Third Parties) Ordinance and/or any comparable law in any jurisdiction giving to or conferring on third parties the right to enforce or enjoy the benefit of any term or provision of these Clearing House Rules is expressly excluded.

7.2.2 Any rights or benefits granted to MA under these Clearing House Rules are personal to MA and may not be assigned or enforced by any person other than MA.

7.3 Law and Jurisdiction

7.3.1 These Clearing House Rules and the Operating Procedures shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

7.3.2 The Courts of the Hong Kong Special Administrative Region of the People's Republic of China shall have jurisdiction to settle any disputes which may arise in connection with these Clearing House Rules or the Operating Procedures and SI, HKICL and each Member hereby submit to the jurisdiction of such Courts. Proceedings may also be initiated in any other courts of competent jurisdiction.

7.4 Effective Date

These Clearing House Rules shall take effect from the date HKICL announces that they will take effect. In the event of any inconsistency between the version of the Clearing House Rules on HKICL's website and any other version of the Clearing House Rules, the version on HKICL's website shall prevail.

Hong Kong Interbank Clearing Limited

Date: 16 November 2026

SCHEDULE I CHATS, CCPMP CUT-OFF AND END OF DAY CUT-OFF

Part I CHATS Customer Cut-off, CHATS Bank Cut-off and CHATS Value Date Cut-off

CHATS is normally available for around-the-clock processing, but there is a need to have a cut-off time to distinguish payments for same-day value and payments for next-day value and to enable Members to assess their end-of-day positions. The following are the arrangements relating to various cut-off times:

1. CHATS will have 24 hours' availability (subject to scheduled regular house keeping and maintenance work), but for Monday to Friday which is a Working Day, CHATS Customer Cut-off will be at 18.00 hours and CHATS Bank Cut-off will be at 18.30 hours, with the CHATS Value Date Cut-off (i.e. System Date changed) at 18.35 hours or such other time determined by SI after consultation with MA from time to time.

2. During the period between CHATS Customer Cut-off and CHATS Bank Cut-off, **Members can**

   - view details of incoming funds awaiting settlement via an enquiry function
   - subject to Rule 6.3.1.5, Rule 6.3.8.3(f) and Rule 6.12.8, re-sequence CHATS Payment Instructions Value Today and OTC Clear Payment Instructions Value Today in the Normal Queue
   - input CHATS Payment Instructions Value Today which are non-customer related payments
   - input CHATS Payment Instructions Value Forward Day

   but Members cannot

   - input CHATS Payment Instructions Value Today which are for customer related payments
   - cancel CHATS Payment Instructions Value Today and OTC Clear Payment Instructions Value Today in the Normal Queue

3. During the period between CHATS Customer Cut-off and CHATS Bank Cut-off, OTC Clear Payment Instructions Value Today or OTC Clear Payment Instructions Value Forward Day will be generated according to any OTC Clear Debit Requests transmitted or delivered by OTC Clear to the Clearing House Computer.

4. During the period between CHATS Bank Cut-off and CHATS Value Date Cut-off, **Members can**

   - input CHATS Payment Instructions Value Forward Day
   - subject to Rule 6.3.1.5, Rule 6.3.8.3(f) and Rule 6.12.8, re-sequence CHATS Payment Instructions Value Today and OTC Clear Payment Instructions Value Today in the Normal Queue

   but Members cannot

   - input CHATS Payment Instructions Value Today
   - cancel CHATS Payment Instructions Value Today and OTC Clear Payment Instructions Value Today in the Normal Queue

5. During the period between CHATS Bank Cut-off and CHATS Value Date Cut-off, OTC Clear Payment Instructions Value Forward Day will be generated according to any OTC Clear Debit Requests transmitted or delivered by OTC Clear but no OTC Clear Payment Instructions Value Today will be generated.

6. After the CHATS Value Date Cut-off

- no CHATS Payment Instructions and OTC Clear Payment Instructions with a value date prior to the System Date will be accepted

- only CHATS Payment Instructions and OTC Clear Payment Instructions for value as of the System Date immediately after the CHATS Value Date Cut-off or as of the Supported Forward Days will be accepted.

7. After the CHATS Value Date Cut-off and the completion of the processing of the CHATS Payment Instructions input prior to the CHATS Bank Cut-off or OTC Clear Payment Instructions generated prior to the CHATS Bank Cut-off, CHATS Payment Instructions Value Today or OTC Clear Payment Instructions Value Today in the Normal Queue will be cancelled automatically.

Part II CCPMP Cut-off

The following are the arrangements for CCPMP:

1. CCPMP will commence operation on each Working Day at CCPMP Commencement or such other time as determined by SI after consultation with MA from time to time.

2. At 18.30 hours or such other time as determined by SI after consultation with MA from time to time, CCPMP will send a cut-off message to CHATS.

3. After receipt of the cut-off message referred to in paragraph 2 or after CHATS Bank Cut-off, whichever is the earlier, the Clearing House Computer will:

   (i) accept CCP Instructions Value Forward Day;

   (ii) cancel all CCP Instructions waiting for CCPMP's validation response;

   (iii) cancel all CCP Instructions Value Today in the Normal Queue; and

   (iv) reject any incoming CCP Instructions Value Today.

4. After the cut-off message referred to in paragraph 2 is received, the Clearing House Computer will one by one release the hold in Sending Member's Designated Settlement Account of the funds in respect of outstanding CCP Instructions.

Part III End of Day Cut-off

CHATS is available for around the clock processing of Direct Credit Instructions or Direct Debit Instructions but there is a need to have a cut off time to distinguish payments for same day value and payments for next day value to enable Members and SI to assess their end of day positions. The following are the arrangements relating to the cut off time.

1. The End of Day Cut-off will be triggered upon completion of the CHATS Value Date Cut-off, and will occur at 18.45 hours on Working Days or such other time as determined by SI after consultation with MA from time to time.

2. During the period prior to End of Day Cut-off

   SI may

   - input Direct Credit Instructions
   - input Direct Debit Instructions
   - subject to Rule 6.3.4.5 and Rule 6.12.8, re-sequence Direct Debit Instructions or cancel any of the Direct Debit Instructions Value Today in the Normal Queue

3. After the End of Day Cut-off, the Clearing House Computer will:

   - not settle any Direct Debit Instruction Value Today and Direct Credit Instruction Value Today; and
   - cancel all Direct Debit Instructions Value Today in the Normal Queue

   SI cannot

   - input Direct Debit Instructions or Direct Credit Instructions Value Today

   SI can

   - input Direct Debit Instructions Value Forward Day or Direct Credit Instructions Value Forward Day

EURO RAINSTORM PROCEDURES

1. This version of the Rainstorm Procedures is effective from the date HKICL announces that it will take effect.

2. Subject to any exceptional circumstances, in the event of a "black" rainstorm warning being issued during the day the Clearing House will continue to function normally. The settlement and cut-off times of all CHATS Transactions will be proceeded with according to the normal schedule. For the avoidance of doubt, when "black" rainstorm signal is hoisted, the initial queue mode of OTC Clear Payment Instruction shall be determined by the default queue mode in adverse weather/holiday as indicated by the paying Member in accordance with the Operating Procedures.

3. Notwithstanding the above, for exceptional circumstances or for operational considerations, HKICL may vary any of the timings for and the processing schedule of the CHATS Transactions. HKICL shall notify all Members of such change which shall be binding on Members.

EURO TYPHOON PROCEDURES

1. This version of the Typhoon Procedures is effective from the date HKICL announces that it will take effect.

2. These Procedures have been drawn up to give guidance to Members as to the procedures to be adopted in the event of the hoisting of Typhoon signal no. 8 or above or the announcement of Extreme Conditions. The Procedures are drawn up so as to avoid confusion or misunderstanding among Members.

3. Subject to any exceptional circumstances, the settlement and cut-off times of all CHATS Transactions will be proceeded with according to the normal schedule. For the avoidance of doubt, when typhoon signal no. 8 or above is hoisted or Extreme Conditions are in force, the initial queue mode of OTC Clear Payment Instruction shall be determined by the default queue mode in adverse weather/holiday as indicated by the paying Member in accordance with the Operating Procedures.

4. Notwithstanding the above, for exceptional circumstances or for operational considerations, HKICL may vary any of the timings for and the processing schedule of the CHATS Transactions. HKICL shall notify all Members of such change which shall be binding on Members.