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香港期貨交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

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

通告 CIRCULAR

Subject: Introduction of Additional Long-dated Contract Months in Hang Seng Index and Hang Seng China Enterprises Index Futures and Options

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The Exchange is pleased to announce the addition of long-dated contract months in Hang Seng Index (HSI) and Hang Seng China Enterprises Index (HHI) Futures and Options with maturities up to 5.5 years. The tentative launch date will be on **Monday, 4 December 2017**, subject to regulatory approval. Details of the plan are as follows:

1. Contract Months Available for Trading

The contract months for HSI and HHI Futures and Options will be revised as follows:

- HSI and HHI Futures: add five December contracts;
- HSI Options: add two December contracts and last June contract will not be introduced¹; and
- HHI Options: add three December contracts.

Products	Existing Contract Months	Revised Contract Months
HSI Futures	Spot, next calendar month and next 2 calendar quarter months	Short-dated Futures: Spot, next calendar month and next 2 calendar quarter months; and Long-dated Futures: <u>the following 5 December months</u>
HHI Futures		
HSI Options	Short-dated Options: Spot, next 3 calendar months and next 3 calendar quarter months; and Long-dated Options: the next 5 months of June & December	Short-dated Options: Spot, next 3 calendar months and next 3 calendar quarter months; and Long-dated Options: <u>the next 3 months of June & December and the following 3 December months</u>
HHI Options	Short-dated Options: Spot, next 3 calendar months and next 3 quarter months; and Long-dated Options: the next 3 months of June & December	

¹ On the last business day of November 2017, the June 2021 contract for HSI Options will not be introduced.

An illustration of contract months available for trading is set forth in Attachment I.

2. Error Trade Parameters and Block Trade Permissible Range

The error trade parameters and block trade permissible price range for long-dated contract months will be revised:

a. Error Trade Parameters

Product	Existing Parameter	Revised Parameter
Short-dated Futures	+/-3% from Notation Price	Unchanged
Long-dated Futures	N/A	<u>+/-6%</u> from Notation Price
Short-dated Options	If Notation Price: ≥ 300 index points: 10%; or < 300 index points: 30 index points	Unchanged
Long-dated Options		If Notation Price: ≥ 300 index points: <u>20%</u> ; or < 300 index points: <u>60</u> index points

b. Block Trade Permissible Price Range

Product	Existing Price Range	Revised Price Range
Short-dated Futures	+/-1% from Notation Price	Unchanged
Long-dated Futures	N/A	<u>+/-3%</u> from Notation Price
Short-dated Options	If option price: > 300 index points: 10%; or ≤ 300 index points: 30 index points	Unchanged
Long-dated Options		If option price: > 300 index points: <u>30%</u> ; or ≤ 300 index points: <u>90</u> index points

3. Standard Combination

There will be no standard combinations introduced for the additional contract months.

Apart from the above, other terms in the Contract Specifications and other operational procedures will remain unchanged.

Relevant rule amendments will be announced via a separate circular. Exchange Participants (EPs) should advise clients on the arrangements above when trading long-dated HSI and HHI Futures and Options contracts.

Market Readiness

Since the implementation will involve changes on the existing flagship products, it is crucial for EPs to ensure the trading and back office systems will be ready for a smooth rollout of the additional contracts and, in parallel, maintain the same service level on existing contracts. EPs are reminded to communicate and coordinate with their relevant departments and system vendors.

In order to facilitate EPs to verify their overall system and operational readiness, a Market Rehearsal (MR) and a Post Release Test (PRT) will be scheduled on Saturday, 18 November 2017 and on Saturday, 2 December 2017 respectively.

EPs are strongly recommended to enroll by online registration on or before 3 November 2017 to participate in the MR ([registration](#)) and the PRT ([registration](#)). Details of the MR and PRT will be provided to the registered EPs subsequently.

For technical enquiries, please contact HKATS hotline² at 2211 6360.

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This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.

² All calls to the HKATS hotline would be recorded. Please refer to the following link for HKEX privacy policy statement:
http://www.hkex.com.hk/eng/global/privacy_policy.htm

