

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: **Readiness Test for Inclusion of Equity Index Options in the T+1 Session**

Enquiry: **HKATS Hotline¹ Tel: 2211-6360**

Reference is made to the circular dated 7 February 2018 (Ref: [MO/DT/025/18](#)). Hong Kong Futures Exchange (HKFE) plans to include Equity Index Options in the T+1 Session **on Monday, 14 May 2018**, subject to market readiness and regulatory approval. For Exchange Participants (EPs)' easy reference, a summary of the arrangements for inclusion of Equity Index Options in the T+1 Session is set forth in the Attachment 1.

In order to allow EPs to verify their readiness of the associated operations, EPs who are going to trade Equity Index Options during the T+1 Session are recommended to participate in the Readiness Test (Test) on Saturday, 7 April 2018. Detailed rundowns for the Test will be sent to related EPs in due course.

EPs who will participate in the Test should complete the form as set forth in the Attachment 2 and fax to 2509 0724 / 2877 0017 or email to ClickSupport@hkex.com.hk **on or before Friday, 23 March 2018**. Where applicable, Clearing Participants are reminded to [register online](#) with HKCC.

For any enquiry, please contact HKATS hotline at 2211 6360.

Sanly Ho

Head

Derivatives Trading

Markets Division

¹ 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

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.

Attachment 1

Arrangements for Inclusion of Equity Index Options in the T+1 Session (Subject to Regulatory Approval)

Equity Index Options trading in the T+1 Session with regard to products, trading, clearing and risk management will be implemented as follows:

a) Products

The model will be applicable to Hang Seng Index (HSI) Options, Hang Seng China Enterprises Index (HHI) Options, Mini-Hang Seng Index (MHI) Options and Mini-Hang Seng China Enterprises Index (MCH) Options. Flexible options will not be applicable.

b) Trading

i. Trading Hours

The opening time of the T+1 Session will be 45 minutes after the close of the T Session, i.e. 5:15 p.m. for Equity Index Options. Trades executed during the T+1 Session will be registered as the next business day's trades. The T+1 Session will end at 1:00 a.m. in the next calendar day.

ii. Holiday Arrangements

If it is a Hong Kong public holiday or there is half-day trading in the HKEX securities market or it is a bank holiday in both the United Kingdom and the United States, there will be no T+1 Session on that day.

iii. Typhoon or Black Rainstorm Arrangements

Typhoon or Black Rainstorm arrangements for Equity Index Options will follow the same arrangements for Equity Index Futures.

iv. Order Types

All rest of day orders, until expiry orders and specified date orders, by default, will be effective only in T Session and outstanding orders will be carried forward to the next T Session and so on whilst outstanding.

For EPs and their clients participating in after-hours trading need to select the order attribute “T+1” when entering their rest of day orders, until expiry orders and specified date orders for those orders that should be effective for both T Session and the T+1 Session. These orders with “T+1” attribute will be carried forward from T+1 Session and back into T Session and so on whilst outstanding.

Fill-or-kill orders and fill-and-kill orders which are to be executed (or not) immediately, the order attribute “T+1” will not be applicable and will be ignored.

v. Trading Halt Mechanism (THM)

When the highest bid of the THM Reference Contract (i.e. spot month futures) on the buying queues reaches its price which is the THM percentage above the THM reference price (i.e. upper price limit of the spot month futures in the T+1 Session), or its lowest ask on the selling queues reaches its price which is the THM percentage below the THM reference price (i.e. lower price limit of the spot month futures in the T+1 Session), the corresponding instrument session state of such THM Exchange Contract (i.e. the options) will be set to HALT. In such event, trading of the concerned THM Exchange Contract will be suspended for the remaining T+1 session. Trading of the concerned THM Exchange Contract will be resumed upon the beginning of the following T session.

As an illustrative example, when the highest bid of the spot month HSI Futures reaches its upper price limit in the T+1 Session, trading of all HSI Options regardless of strikes or contract expiries will be halted. Trading of MHI Options will be halted only if the same conditions are met in the spot month MHI Futures.

During a trading halt, all orders of the halted THM Exchange Contract will remain but will not be matched. EPs may amend or cancel any of the orders. Note that amendment of order is confined to the following actions during trading halt:

1. Modification of information in Cust and/or Info fields;
2. Change duration of validity;
3. Decrease quantity.

For each THM Exchange Contract, the corresponding THM Reference Contract, the THM reference price and the THM percentage are as follows:

THM Exchange Contract	THM Reference Contract	THM Reference Price	THM Percentage
HSI Options	Spot month HSI Futures	Refers to the reference price of Price Limit Up/Down Mechanism ²	5%
HHI Options	Spot month HHI Futures		
MHI Options	Spot month MHI Futures		
MCH Options	Spot month MCH Futures		

vi. Handling of Error Trades

Existing error trade rules will apply in the T+1 Session.

vii. Block Trade Facility

Block Trade Facility will be available in the T+1 Session.

viii. Application for Erroneous Trade (Form 7)

Application for erroneous trade (Form 7) will not be applicable to Products in the T+1 Session.

ix. Tailor Made Combination

Tailor Made Combination will be available in the T+1 Session.

² Reference price of Price Limit Up/Down Mechanism can refer to Appendix 6 of [HKATS User's Guide](#)

c) Clearing

The T+1 Session Cutoff Time for Equity Index Options will be 1:45 a.m. in the next calendar day. Clearing service will continue in the event of trading halt. Clearing Participants please be reminded that for trades executed in the T+1 Session, Clearing Participants can perform post-trades (i) during T+1 Session; and/or (ii) from 7:30 a.m. on the next Business Day till System Input Cutoff Time at 6:45 p.m. If Clearing Participants want to incorporate those trades executed in the previous T+1 Session in the calculation of Mandatory Intra-day Variation Adjustment and Margin, they should complete the post-trade activities 30 minutes before market open of the corresponding products.

d) Risk Management

The following risk management arrangements currently applied to Equity Index Futures positions will be extended to cover the newly established Equity Index Options positions in the T+1 Session:

- i. Monitoring of Clearing Participant's Capital-Based Position Limits (CBPL) on an hourly basis during the T+1 Session³; and
- ii. Mandatory Intra-day Variation Adjustment and Margin Call following the market open of each T Session and payable by 12:00 noon.

NO new risk management measure will be introduced after the inclusion of Equity Index Options in the T+1 Session.

³ Risk Parameter Files (RPF) are generated for CBPL monitoring and will be made available for download hourly in T+1 session under normal circumstances. Please refer to "[RPF for CBPL Monitoring in After-Hours Trading](#)" for more information and download.

聯絡人資料表格 - 納入股票指數期權到 T+1 時段之準備測試
Contact Details Form – Inclusion of Equity Index Options in the T+1 Session

(填妥之表格須於 2018 年 3 月 23 日星期五或之前傳真至 2509-0724 / 2877-0017
或電郵至 ClickSupport@hkex.com.hk)

(Completed form should be returned by fax to 2509-0724 / 2877-0017 or email to ClickSupport@hkex.com.hk on
or before Friday, 23 March 2018)

所有關於納入股票指數期權到 T+1 時段之準備測試的事項，請聯絡以下人士：

Please contact the following person(s) for all matters during the Readiness Test for the inclusion of Equity Index Options in the T+1 Session:

參與者名稱 Participant Name	HKATS 代號 HKATS Customer Code
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第一聯絡人 Primary Contact Person	電話號碼 Telephone No.
電郵地址 Email Address	

第二聯絡人 Secondary Contact Person	電話號碼 Telephone No.
電郵地址 Email Address	

請勾選以下其中一個方格以確認準備測試均準備就緒：

Please confirm your readiness for the Readiness Test by checking one of the boxes below:

- 本公司已通過 OAPI 程式驗證測試
We have completed the verification test for OAPI Programs
- 本公司沒有使用 OAPI 程式
We do not use OAPI Programs

在交回此表格後，即代表本公司同意按此表格所述的私隱政策聲明處理個人資料。

By returning this form, we consent to the processing of personal data in accordance with the Privacy Policy Statement included in this form.

Privacy Policy Statement

Hong Kong Exchanges and Clearing Limited, and from time to time, its subsidiaries (together the "Group") (and each being "HKEX", "we", "us" or "member of the Group" for the purposes of this Privacy Policy Statement as appropriate) recognise their responsibilities in relation to the collection, holding, processing, use and/or transfer of personal data under the Personal Data (Privacy) Ordinance (Cap. 486) ("PDPO"). Personal data will be collected only for lawful and relevant purposes and all practicable steps will be taken to ensure that personal data held by us is accurate. We will use your personal data which we may from time to time collect in accordance with this Privacy Policy Statement.

We regularly review this Privacy Policy Statement and may from time to time revise it or add specific instructions, policies and terms. Where any changes to this Privacy Policy Statement are material, we will notify you using the contact details you have provided us with and, where required by the PDPO, give you the opportunity to opt out of these changes by means notified to you at that time. Otherwise, in relation to personal data supplied to us through the HKEX website or otherwise, continued use by you of the HKEX website or your continued relationship with us shall be deemed to be your acceptance of and consent to this Privacy Policy Statement, as amended from time to time.

If you have any questions about this Privacy Policy Statement or how we use your personal data, please contact us through one of the communication channels set out in the "Contact Us" section below.

We will take all practicable steps to ensure the security of the personal data and to avoid unauthorised or accidental access, erasure or other use. This includes physical, technical and procedural security methods, where appropriate, to ensure that the personal data may only be accessed by authorised personnel.

Please note that if you do not provide us with your personal data (or relevant personal data relating to persons appointed by you to act on your behalf) we may not be able to provide the information, products or services you have asked for or process your requests, applications, subscriptions or registrations, and may not be able to perform or discharge the Regulatory Functions (defined below).

Purpose

From time to time we may collect your personal data including but not limited to your name, mailing address, telephone number, email address, date of birth and login name for the following purposes:

1. to process your applications, subscriptions and registration for our products and services;
2. to perform or discharge the functions of HKEX and any company of which HKEX is the recognised exchange controller (as defined in the Securities and Futures Ordinance (Cap. 571)) ("Regulatory Functions");
3. to provide you with our products and services and administer your account in relation to such products and services;
4. to conduct research and statistical analysis;
5. to process your application for employment or engagement within HKEX to assess your suitability as a candidate for such position and to conduct reference checks with your previous employers; and
6. other purposes directly relating to any of the above.

Direct marketing

Where you have given your consent and have not subsequently opted out, we may also use your name, mailing address, telephone number and email address to send promotional materials to you and conduct direct marketing activities in relation to HKEX financial services and information services, and financial services and information services offered by other members of the Group.

If you do not wish to receive any promotional and direct marketing materials from us or do not wish to receive particular types of promotional and direct marketing materials or do not wish to receive such materials through any particular means of communication, please contact us through one of the communication channels set out in the "Contact Us" section below. To ensure that your request can be processed quickly please provide your full name, email address, log in name and details of the product and/or service you have subscribed.

Identity Card Number

We may also collect your identity card number and process this as required under applicable law or regulation, as required by any regulator having authority over us and, subject to the PDPO, for the purpose of identifying you where it is reasonable for your identity card number to be used for this purpose.

Transfers of personal data for direct marketing purposes

Except to the extent you have already opted out we may transfer your name, mailing address, telephone number and email address to other members of the Group for the purpose of enabling those members of the Group to send promotional materials to you and conduct direct marketing activities in relation to their financial services and information services.

Other transfers of your personal data

For one or more of the purposes specified above, your personal data may be:

1. transferred to other members of the Group and made available to appropriate persons in the Group, in Hong Kong or elsewhere and in this regard you consent to the transfer of your data outside of Hong Kong;
2. supplied to any agent, contractor or third party who provides administrative,

telecommunications, computer, payment, debt collection, data processing or other services to HKEX and/or any of other member of the Group in Hong Kong or elsewhere; and

3. other parties as notified to you at the time of collection.

How we use cookies

If you access our information or services through the HKEX website, you should be aware that cookies are used. Cookies are data files stored on your browser. The HKEX website automatically installs and uses cookies on your browser when you access it. Two kinds of cookies are used on the HKEX website:

Session Cookies: temporary cookies that only remain in your browser until the time you leave the HKEX website, which are used to obtain and store configuration information and administer the HKEX website, including carrying information from one page to another as you browse the site so as to, for example, avoid you having to re-enter information on each page that you visit. Session cookies are also used to compile anonymous statistics about the use of the HKEX website.

Persistent Cookies: cookies that remain in your browser for a longer period of time for the purpose of compiling anonymous statistics about the use of the HKEX website or to track and record user preferences.

The cookies used in connection with the HKEX website do not contain personal data. You may refuse to accept cookies on your browser by modifying the settings in your browser or internet security software. However, if you do so you may not be able to utilise or activate certain functions available on the HKEX website.

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HKEX and other members of the Group may be required to retain, process and/or disclose your personal data in order to comply with applicable laws and regulations or in order to comply with a court order, subpoena or other legal process (whether in Hong Kong or elsewhere), or to comply with a request by a government authority, law enforcement agency or similar body (whether situated in Hong Kong or elsewhere) or to perform or discharge the Regulatory Functions. HKEX and other members of the Group may need to disclose your personal data in order to enforce any agreement with you, protect our rights, property or safety, or the rights, property or safety of our employees, or to perform or discharge the Regulatory Functions.

Corporate reorganisation

As we continue to develop our business, we may reorganise our group structure, undergo a change of control or business combination. In these circumstances it may be the case that your personal data is transferred to a third party who will continue to operate our business or a similar service under either this Privacy Policy Statement or a different privacy policy statement which will be notified to you. Such a third party may be located, and use of your personal data may be made, outside of Hong Kong in connection with such acquisition or reorganisation.

Access and correction of personal data

Under the PDPO, you have the right to ascertain whether we hold your personal data, to obtain a copy of the data, and to correct any data that is inaccurate. You may also request us to inform you of the type of personal data held by us. All data access requests shall be made using the form prescribed by the Privacy Commissioner for Personal Data ("Privacy Commissioner") which may be found on the official website of the Office of the Privacy Commissioner or via this link <https://www.pcpd.org.hk/english/publications/files/Dforme.pdf>

Requests for access and correction of personal data or for information regarding policies and practices and kinds of data held by us should be addressed in writing and sent by post to us (see the "Contact Us" section below).

A reasonable fee may be charged to offset our administrative and actual costs incurred in complying with your data access requests.

Termination or cancellation

Should your account or relationship with us be cancelled or terminated at any time, we shall cease processing your personal data as soon as reasonably practicable following such cancellation or termination, provided that we may keep copies of your data as is reasonably required for archival purposes, for use in relation to any actual or potential dispute, for the purpose of compliance with applicable laws and regulations and for the purpose of enforcing any agreement we have with you, for protecting our rights, property or safety, or the rights, property or safety of our employees, and for performing or discharging our functions, obligations and responsibilities.

General

If there is any inconsistency or conflict between the English and Chinese versions of this Privacy Policy Statement, the English version shall prevail.

Contact us

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By Email:
DataPrivacy@HKEX.COM.HK