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## **PREFACE**

This preface is included to give a general explanation of the purpose of the Rules of Hong Kong Futures Exchange Limited ("the Exchange"). The preface does not form part of these Rules and does not affect the construction of these Rules.

### **The Exchange**

The Exchange is a company limited by shares and incorporated in Hong Kong under the Companies Ordinance. With effect from the Scheme Effective Date, the Exchange and The Stock Exchange of Hong Kong Limited became wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited ("HKEX") by way of respective schemes of arrangements under section 166 of the Companies Ordinance.

### **Objects**

The principal object of the Exchange is to establish and operate a commodity exchange or exchanges for the purpose of dealing in commodity, futures or options contracts in relation to agricultural commodities, metals, currencies, interest rates, indices or other financial contracts, energy or any other materials, substances or matter. The operation and management of the Exchange are governed by the Securities and Futures Ordinance, these Rules and the Regulations of the Exchange.

### **Exchange Participantship**

Except otherwise authorized by the Exchange, every person who intends to trade on or through the facilities of the Exchange must hold a Futures Exchange Trading Right and be admitted as an Exchange Participant of the Exchange.

All Exchange Participants of the Exchange must be limited companies incorporated in Hong Kong. Every Exchange Participant must at all times comply with the Financial Resources Rules and satisfy all other requirements applicable to its category of Exchange Participantship from time to time prescribed by the Exchange.

Exchange Participantship of the Exchange is divided into four categories:-

1. Traders who are Exchange Participants who trade for their own account.
2. Brokers who are Exchange Participants who trade for their own account only. They may also act as Exchange Participants' agents for the sole purpose of concluding trades.
3. Futures Commission Merchants who are Exchange Participants who trade for their own account, for the account of other Exchange Participants and for the



account of other persons. Futures Commission Merchants must be limited companies.

4. Merchant Traders who are Exchange Participants who are substantial merchants in their own right in the financial or commodity fields and who trade for their own account. Merchant Traders must be limited companies.

**Except as otherwise provided in the Rules, Regulations and Procedures of the Exchange, Exchange Participants will be permitted to trade in all the Markets operated by the Exchange.**

### **Clearing**

All Exchange Participants trading on or through the facilities of the Exchange must clear or procure the clearing of their trades through the Clearing House, which is a wholly-owned subsidiary of HKEX, the direct holding company of the Exchange. The Clearing House makes its own Regulations, whereby its Participants are categorised either as General Clearing Participants or Clearing Participants. Participants of the Clearing House are required to contribute to a reserve fund which is one of the resources available to provide financial support for the performance of all trades concluded on or through the facilities of the Exchange and to meet any defaults amongst Participants of the Clearing House. HKEX, the Exchange and the Clearing House together carry out all risk management functions.

Hong Kong Futures Exchange Limited

## CHAPTER I

### INTERPRETATION ADMINISTRATION AND AMENDMENT OF THE RULES

#### Definitions and Interpretation

101. In these Rules, unless the context otherwise requires, the following expressions shall bear the following meanings:-

- “approved debt securities” means Exchange Fund Bills or Notes issued by the Hong Kong Special Administrative Region Government for the account of the Exchange Fund, Treasury Bills or Notes issued by the U.S. Government (other than U.S. Treasury Callable Corpus (TCAL) and Separate Trading of Registered Interest and Principal of Securities (STRIPS)) and such other debt securities or instruments as may from time to time be approved by the Exchange as a form of cover for margin;
- “approved securities” means TraHK Units and such other securities as may from time to time be approved by the Exchange as a form of cover for margin (Note: The date from which Exchange Participant will be allowed to accept TraHK Units as a form of cover for margin from Clients will be notified by the Exchange to Exchange Participants via circular in due course);
- “Articles” means the Articles of Association of the Exchange in force from time to time;
- “associated company” means any company which is directly or indirectly interested in the issued shares of an Exchange Participant or a company in which the Exchange Participant is directly or indirectly interested in the issued shares of such company so as to exercise or control the amount of 35% (or such lower amount as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any subsidiary or holding

company of the Exchange Participant as defined in the Companies Ordinance;

- “Auction Order” means an Order where a bid or offer/ask price is not specified and which is entered into HKATS during the pre-opening or pre-open allocation session of the Pre-Market Opening Period for execution at the Calculated Opening Price;
- “Authorized Person” means a person employed or engaged by an Exchange Participant to gain access to HKATS, and for the purpose of gaining access to HKATS via the HKATS Risk Functions to establish, monitor and implement Prescribed Risk Controls, an Authorized Person may include a person appointed for such purpose by the HKCC Participant which clears the Exchange Participant’s trades if it is a Non-Clearing Participant;
- “Beneficial Identity of a Client” means the ultimate beneficiary of any Client account or, in the case of a company or body corporate, the individuals who are the ultimate beneficial owners of the share capital of the company or body corporate and includes a beneficiary holding an interest through a nominee or trust;
- “Block Trade” means any trade which is executed via the Block Trade Facility;
- “Block Trade Contract” means an Exchange Contract designated by the Board as a contract that may be executed as a Block Trade pursuant to these Rules and the Procedures;
- “Block Trade Facility” means the function of HKATS as specified by the Exchange to be used for Block Trade execution;
- “Board” means the Board of Directors from time to time of the Exchange or (as the context may require) the majority of directors present and voting at a duly convened meeting of directors at which a quorum is present, or any duly appointed committee of the Board;

“Broker”	means a person including an individual or incorporated entity registered with the Exchange under the category of “Broker” pursuant to these Rules;
“Business Day”	means a day other than a Saturday, Sunday or public holiday in Hong Kong;
“Calculated Opening Price”	means, unless otherwise determined by the Exchange, the price, if any, determined by HKATS according to pre-defined rules during the Pre-Market Opening Period to be the opening price at which Auction Orders and Limit Orders with offer prices at or below, or with bid prices at or above, such determined price may be executed;
“Central Orderbook”	means a file resident in HKATS which contains the records of all unmatched orders to buy or sell Exchange Contracts traded through HKATS;
“Chief Executive”	means the Chief Executive from time to time appointed by the Board, his designee, or, as the context may require, a designated member of the HKEX staff;
“Clearing House”	means the wholly-owned subsidiary of HKEX which provides clearing services to Exchange Participants in respect of Exchange Contracts;
“Clearing House Rules”	means the rules and applicable procedures of the Clearing House and any amendments, supplements, variations or modifications thereto from time to time in force;
“Client”	means any person on behalf of whom an Exchange Participant transacts F.O. Business, whether by the Exchange Participant himself concluding a transaction or by the Exchange Participant appointing another Exchange Participant or agent for the purpose and includes any person who gives an Exchange Participant an order to transact F.O. Business;
“Client Identity Guidance Note”	means the guidance note on client identity issued by the Commission from time to time (including but not limited to the guidance note contained in Schedule 2 to the SFC Code of Conduct);

“Client's Money” means money received from or for the account of a Client in relation to F.O. Business and includes money paid or reimbursed to an Exchange Participant by the Clearing House in respect of F.O. Business transacted by an Exchange Participant on the instructions of one or more Clients;

“closed out contract” means either:-

- (a) any F/O Contract in respect of which an Exchange Participant (either voluntarily or compulsorily under these Rules or the Clearing House Rules) enters into a second F/O Contract on identical terms to the first-mentioned F/O Contract, except:-
  - (i) that the price may not be the same as the price specified in the first-mentioned F/O Contract; and
  - (ii) that the Exchange Participant takes the opposite side to the side he holds under the first-mentioned F/O Contract;for the express purpose of crystallizing the profit or loss on that first-mentioned F/O Contract; or
- (b) an F/O Contract deemed to be a closed out contract pursuant to the rules of the Clearing House;

and “closing out” or “closed out” shall be construed accordingly;

“Commission” means the Securities and Futures Commission which was established under the repealed Securities and Futures Commission Ordinance and whose existence continued by virtue of section 3(1) of the Ordinance or any other body which assumes in whole or in part the powers and functions of the Securities and Futures Commission and has jurisdiction over the Exchange under the Ordinance;

“commodity”	means any item and includes, without limitation, agricultural commodities, metals (including minerals and ores), currencies, shares, interest rates, indices (whether stock market or otherwise), or other financial contracts, energy, right or authority, and shall where the case requires include a Futures/Options Contract in respect of any of the above and in each case whether or not the item is capable of being delivered;
“Compliance Department”	means the department of the Exchange or HKEX which is responsible for, inter alia, the monitoring of the business, financial and trading activities of Exchange Participants to ensure compliance with these Rules, the Regulations and the Procedures, and the instigation of disciplinary proceedings against Exchange Participants;
“Contract Specifications”	means those terms and conditions of an Exchange Contract as from time to time specified by the Board pursuant to the relevant Regulations;
“controller”	has the same meaning as in Part III of the Ordinance;
“cooling-off period”	in relation to a VCM Exchange Contract, means a period during which trading of the VCM Exchange Contract shall be subject to Rule 828;
“DCASS”	means the Derivatives Clearing and Settlement System operated by the Clearing House and The SEHK Options Clearing House Limited;
“delivery month” or “contract month”	means, where the context permits, the month in which an Exchange Contract is required to be settled or in which the underlying commodity is obliged to be delivered;
“Designated Compliance Department Staff”	means such of the Compliance Department employees as may from time to time be designated by the Chief Executive to adjudicate Non-serious Offences;
“designated HKEX staff”	means such of HKEX’s staff as the Chief Executive may from time to time designate pursuant to Rule 106 and “designated member of the HKEX staff” shall mean one of such staff;

“Designated Index Arbitrage Participant”	means an Exchange Participant registered as such under Rule 1603 to conduct Designated Index Arbitrage Transactions;
“Designated Index Arbitrage Short Selling”	means the short selling of a security on SEHK as part of a Designated Index Arbitrage Transaction;
“Designated Index Arbitrage Transaction”	means the purchase of a Designated Stock Index Futures Contract (as defined in Rule 1604) with a contemporaneous offsetting sale of underlying Stocks of the index on which the Designated Stock Index Futures Contract is based. For the purpose of this definition, the term “contemporaneous” means the execution of all trades under a Designated Index Arbitrage Transaction within a certain time period prescribed by the Exchange from time to time;
“Director”	means a director of the Board;
“Disciplinary Appeals Committee”	means a committee of non-executive Directors and/or other person(s) as appointed from time to time by the Board pursuant to Rule 719 to hear disciplinary appeal(s);
“Disciplinary Committee”	means the disciplinary committee of member or members of the Board and/or other person(s) from time to time established by the Board to adjudicate disciplinary matters;
“employee” of an Exchange Participant	includes any director, trainee, consultant, associate or other person, whether retained on a commission basis or otherwise, who is engaged in the F.O. Business of an Exchange Participant or offers advice to Clients of that Exchange Participant, and in the event of any doubt the opinion of the Chief Executive as to whether any person is an employee of an Exchange Participant shall be final and binding and “employment” and “employ” shall be construed accordingly;
“Exchange”	means Hong Kong Futures Exchange Limited;
“Exchange Contract”	means a contract for a commodity approved by the Commission and the Exchange for trading on a Market and which may result in an F/O Contract;

“Exchange-HKCC Participant”	means an Exchange Participant which is also an HKCC Participant;
“Exchange Participant”	means a person who, in accordance with these Rules, may trade on or through the Exchange and whose name is entered in a list, register or roll kept by the Exchange as a person who may trade on or through the Exchange, and “Exchange Participantship” shall be construed accordingly;
“Exchange Participant Admission Appeals Committee”	means a committee convened to review decisions of the Board in respect of application for Exchange Participantship in accordance with the Exchange Participant Admission Appeals Procedures as prescribed by the Exchange from time to time;
“executing agent”	means a broker or dealer (whether or not an Exchange Participant) appointed by an Exchange Participant to transact F.O. Business on behalf of that Exchange Participant;
“executive director”	means a director of an Exchange Participant who actively participates in, or is responsible for directly supervising, the Exchange Participant’s F.O. Business;
“Expiry Day”	means the last or only Trading Day on which an option can be traded or exercised and is, subject to Rule 901, described in the applicable Contract Specifications;
“Financial Resources Rules”	means the Securities and Futures (Financial Resources) Rules made by the Commission under the Ordinance and any amendments, supplements, variations or modifications thereto from time to time in force;
“financial year”	means a period which is adopted by an Exchange Participant as its financial year;
“F.O. Business”	means the business of dealing in Futures Contracts and/or Options Contracts;
“Futures Commission Merchant”	means a company registered with the Exchange under the category of “Futures Commission Merchant” pursuant to these Rules;



“Futures/Options Contract” or “F/O Contract”	means a Futures Contract and/or an Option Contract effected in a Market or arising from the exercise of an Option Contract effected in a Market, as the case may be;
“Futures Contract” or “future”	means a contract executed on any commodity, futures or options exchange or arising from the exercise of an Option Contract, the effect of which is that:- <ul style="list-style-type: none"> <li>(a) one party agrees to deliver to the other party at an agreed future time an agreed commodity or quantity of a commodity at an agreed price; or</li> <li>(b) the parties will make an adjustment between them at an agreed future time according to whether the agreed commodity is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making the contract, the difference being determined in accordance with the rules of the commodity, futures or options exchange in which that contract is made;</li> </ul>
“Futures Exchange Trading Right”	means a right to be eligible to trade on or through the Exchange and entered as such a right in a list, register or roll kept by the Exchange;
“group of companies”	has the meaning assigned to it by section 2 of the Companies Ordinance;
“HKATS”	formerly known as the “ATS”, means the automated trading system operated by the Exchange in accordance with Chapter XII;
“HKATS Official”	means designated HKEX staff empowered to oversee the trading in Markets operated through HKATS;
“HKATS Risk Functions”	means such HKATS software as each Exchange Participant is required by the Exchange to install, and if it is a Non-Clearing Participant, to arrange for each HKCC Participant which clears its trades to install, in order to establish, monitor and implement Prescribed Risk Controls for the

Exchange Participant;

“HKATS Risk Functions User’s Guide”	means the manual relating to the operation of the HKATS Risk Functions entitled “HKATS Risk Functions User’s Guide”, as amended from time to time by the Exchange;
“HKATS Username”	means a unique set of numbers and characters which identifies the Exchange Participant or, with regard to HKATS Risk Functions, the HKCC Participant gaining access to HKATS;
“HKATS User’s Guide”	means the manual relating to the operation of HKATS entitled “HKATS User’s Guide”, as amended from time to time by the Exchange;
“HKCC Participant” or “Participant of the Clearing House”	has the same meaning as in the Clearing House Rules;
“HKEX”	means Hong Kong Exchanges and Clearing Limited;
“HKEX Board”	means the board of directors from time to time of HKEX or (as the context may require) the majority of directors present and voting at a duly convened meeting of directors at which a quorum is present, or any duly appointed committee of the HKEX Board;
“HKEX staff” or “HKEX’s staff”	means staff of HKEX or staff of a company of which HKEX is a controller, including without limitation, staff of the Exchange;
“HKEX website”	means the official website of HKEX at <a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a> or at such other website address specified by HKEX from time to time;
“HKFE-HKATS Agreement”	means the Agreement in such form as may be prescribed by the Exchange from time to time and which is entered into between the Exchange and an Exchange Participant entitling such Exchange Participant to participate in HKATS in accordance with Chapter XII;
“HKFE Trade”	means transactions relating to or resulting from trading of Exchange Contracts in the Markets;

“HKSCC”	means Hong Kong Securities Clearing Company Limited;
“holder of a Futures Exchange Trading Right”	means a person who holds a Futures Exchange Trading Right and whose name is entered as such in the register of Futures Exchange Trading Rights kept by the Exchange;
“holding company”	means a holding company as that term is used in the Companies Ordinance ;
“Holiday Trading Exchange Contract”	means an Exchange Contract which can be traded on such public holidays in Hong Kong in addition to Trading Days which are normal Business Days, as designated by the Exchange in accordance with Rule 830;
“Hong Kong dollar”, “HKD” or “\$”	means Hong Kong Dollar, the lawful currency of Hong Kong;
“in writing” and “written”	include printing, lithography and other modes of representing or reproducing words in a permanent and visible form; and
“Investor Compensation Fund”	means the compensation fund established by the Commission pursuant to the Ordinance;
“Large Open Position”	means the number of open F/O Contracts determined by the Board to be a Large Open Position pursuant to Rule 628;
“Leviable Transaction”	an F/O Contract which is treated for the purposes of the Clearing House Rules as registered with the Clearing House;
“Limit Order”	means an Order where a bid or offer/ask price is specified, which can be executed at the specified price or a better price;
“margin”	means the amounts, whether cash or non-cash collateral, demanded by Exchange Participants from Clients and shall include:- <ul style="list-style-type: none"> <li>(a) any margin demanded by the Exchange from time to time pursuant to Rule 617(a);</li> <li>(b) minimum Client margins as prescribed by the Exchange pursuant to Rule 617(d);</li> </ul>

- (c) any margin demanded by the Exchange from time to time pursuant to Rule 617(e); and
  - (d) any further margin demanded by Exchange Participants from their Clients pursuant to Rule 616;
- “Market” means one of the markets from time to time established and operated by the Exchange pursuant to Rule 201;
- “Market Maker” means an Exchange Participant approved as such by the Chief Executive under Rule 11A01;
- “Market Maker Incentives” means fee concessions or other incentives which are set forth in these Rules, the Procedures or from time to time announced by the Exchange and which are given to a Market Maker upon meeting such market making requirements as may from time to time be prescribed by the Exchange;
- “Market Maker permit” means the permission granted to an Exchange Participant under Rule 11A04 to make a market in a particular Market;
- “market making arrangement” means an arrangement between a Market Maker and a corporate entity under which the corporate entity has agreed to perform market making activities in a Market for which the Market Maker has been granted a Market Maker permit by the Exchange;
- “Market Order” means an Order where no bid or offer/ask price is specified and which can be executed at the prevailing market price;
- “Member” means a person which, immediately prior to the Scheme Effective Date, was duly registered as a Trader, Broker, Futures Commission Merchant, Merchant Trader or any other category of member established by or pursuant to these Rules as in force at the relevant time, and “Membership” shall be construed accordingly (but excluding, for the avoidance of doubt, Overseas Affiliated Members (as defined in the

	Rules in force prior to the Scheme Effective Date));
“Merchant Trader”	means a company registered with the Exchange under the category of “Merchant Trader” pursuant to these Rules;
“Mini Contract”	means an Exchange Contract that is named a “Mini” contract;
“Minimum Volume Threshold”	means, in relation to a Block Trade Contract, the number of lots from time to time determined by the Board to be the minimum volume that an order must satisfy in order for it to be executed as a Block Trade;
“month”	means a calendar month;
“Non-Clearing Participant”	means an Exchange Participant who is not a Participant of the Clearing House;
“Non-HKFE Trade”	means transactions relating to or resulting from the trading of Futures Contracts and/or Options Contracts on markets operated by exchanges other than the Exchange whether in Hong Kong or elsewhere;
“Non-serious Offence”	means any offence which does not involve or result in any of the following: <ul style="list-style-type: none"> <li>(a) the interests of the Exchange or any other Exchange Participant or any Client being jeopardised;</li> <li>(b) fraudulent, dishonest or criminal activity;</li> <li>(c) conduct which may impair the reputation, dignity or welfare of the Exchange;</li> <li>(d) conduct inconsistent with just and equitable principles of trade; or</li> <li>(e) non-compliance by the Exchange Participant with any applicable financial requirements under the Ordinance, these Rules, the Regulations or the Procedures</li> </ul> <p>provided however that the Compliance Department may in its absolute discretion</p>

determine that an offence does not constitute a Non-serious Offence notwithstanding that such offence satisfies the criteria referred to above if, having considered the nature, frequency, persistence of the offence or any other circumstances applicable, the Compliance Department is of the view that such offence should not be considered as a Non-serious Offence;

“Omnibus Account”

means an account opened with an Exchange Participant by a Client (who may, but need not necessarily be another Exchange Participant) in respect of which the Exchange Participant is notified that the account is to be operated for a customer, or a number of customers, of the Client and not the Client itself;

“open contract” or  
“open position”

means an F/O Contract other than a closed out contract;

“Option Contract”  
or “option”

means a contract executed between one party (the “first party”) and another party (the “second party”) on any commodity, futures or options exchange under which :-

- (a) the first party grants the second party the right, but not the obligation, to buy an agreed commodity, or quantity of a commodity, from the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to buy:-
  - (i) the first party is obliged to deliver the commodity at the agreed price; or
  - (ii) the second party receives a payment referable to the amount (if any) by which the commodity is worth more than the agreed price, such payment being determined in accordance with the rules of the commodity, futures or options exchange in which the contract is made; or

- (b) the first party grants to the second party the right, but not the obligation, to sell an agreed commodity, or quantity of a commodity, to the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to sell:-
- (i) the first party is obliged to take delivery of the commodity at the agreed price; or
  - (ii) the second party receives a payment referable to the amount (if any) by which the agreed price is worth more than the commodity, such payment being determined in accordance with the rules of the commodity, futures or options exchange in which the contract is made;

a contract falling within sub-paragraph (a) being a “Call Option” and a contract falling within sub-paragraph (b) being a “Put Option”;

“option series”	means all Option Contracts with the same underlying commodity and of the same option type and with the same Strike Price and Expiry Day;
“option type”	describes whether an Option Contract is a Call Option or a Put Option;
“order”/”Order”	means an Auction Order, a Market Order or a Limit Order as the case may be;
“Ordinance”	means the Securities and Futures Ordinance and any subsidiary legislation made thereunder;
“Overseas Affiliated Participant”	means a body corporate or other organisation registered with the Exchange as an “Overseas Affiliated Participant” pursuant to these Rules;
“Physical Delivery Contract”	means an Exchange Contract that may be performed by physical delivery of the underlying commodity or instrument;

“Pre-Market Opening Period”	means, in relation to an Exchange Contract to which the pre-market opening algorithm of HKATS is determined by the Exchange to apply, the price discovery period before the opening of each trading session of the Exchange Contract, as specified in its Contract Specifications;
“Prescribed Risk Controls”	means such prescribed controls and limits as the Exchange and the Clearing House may from time to time require Exchange Participants and HKCC Participants to establish using the HKATS Risk Functions in order to manage the risks associated with orders placed and trades executed through their own connections to HKATS or connections granted by the Exchange through them and in the case of an HKCC Participant which clears trades for Non-Clearing Participants, its Non-Clearing Participants’ connections to HKATS or connections granted by the Exchange through such Non-Clearing Participants;
“Procedures”	means the practices, procedures and administrative requirements by whatever name called and wherever contained, which may be prescribed from time to time by the Exchange in relation to the trading of Exchange Contracts;
“Professional Accountant”	means a professional accountant registered and holding a current practising certificate under the Professional Accountants Ordinance;
“Quote”	means one Limit Order to buy and one Limit Order to sell Exchange Contracts provided by a Market Maker and which complies with the applicable Rules, Regulations and Procedures;
“Quote Request”	means a request made using the Quote Request function of HKATS for Quotes to be provided by Market Makers in accordance with the applicable Rules, Regulations and Procedures;
“recognized exchange controller”	has the same meaning as in the Ordinance;
“Regulations”	means the regulations by whatever name called and wherever contained, which are prescribed by



the Board and from time to time in force for regulating the activities of the Markets or, as the context may require, the regulations applicable to one particular Market;

“Remote Access Client”	means a client of an Exchange-HKCC Participant which has been approved by the Exchange to have a direct connection to HKATS under Rule 1401;
“Remote Access Client Representative”	means a person notified by an Exchange-HKCC Participant to the Exchange under Rule 1410 as the contact person and representative of a Remote Access Client;
“Renminbi” or “RMB”	means Renminbi, the lawful currency of the People’s Republic of China, for settlement in Hong Kong;
“Responsible Officer”	means an individual registered by the Exchange as a Responsible Officer under these Rules;
“Rules”	means collectively these rules, the Regulations and any amendments, supplements, variations or modifications thereto from time to time in force;
“Secretary”	means the secretary for the time being of the Exchange;
“Scheme Effective Date”	means 6 March 2000, the date on which the Futures Exchange Scheme became effective (being the date on which an official copy of the order of the High Court of Hong Kong sanctioning the Futures Exchange Scheme together with the minute containing the particulars as required by section 61 of the Companies Ordinance were registered by the Registrar of Companies). For purposes herein, Futures Exchange Scheme means the scheme of arrangement between the Exchange and its shareholders under section 166 of the Companies Ordinance as set out in the Futures Exchange Scheme document dated 3rd September, 1999;
“SEHK”	means the Stock Exchange of Hong Kong Limited;

“SEHK Participant”	means a person: (a) who, in accordance with the Rules of SEHK, may trade on or through SEHK; and (b) whose name is entered in a list, register or roll kept by SEHK as a person who may trade on or through SEHK);
“Self-match Prevention” or “SMP”	means the prevention of the matching in HKATS during the T Session and the T+1 Session of orders that are tagged with the same SMP ID whereby the relevant order(s) will be automatically cancelled in accordance with the specified SMP Instruction;
“SEOCH”	means The SEHK Options Clearing House Limited;
“SFC Code of Conduct”	means the Code of Conduct for Persons Licensed by or Registered with the Commission made under the Ordinance in force from time to time;
“SMP ID”	means a code, number or identifier to be used for tagging orders entered into HKATS for the account of the same Exchange Participant, Client or other person in such manner as the Exchange may from time to time prescribe for the purpose of SMP;
“SMP Instruction”	means either of the following instructions specified by the relevant Exchange Participant for an SMP ID in relation to new and existing orders in separate order queues that are tagged with such SMP ID that might otherwise have been matched:- <ul style="list-style-type: none"> <li style="margin-top: 10px;">(a) “Cancel Aggressive”, that is, the newly entered order or, if such newly entered order is partially matched before any existing order with the same SMP ID is at the top of the order queue, the remaining unmatched part of such newly entered order will be cancelled by HKATS; or</li> <li style="margin-top: 10px;">(b) “Cancel Passive”, that is, the existing order or, if such existing order is partially matched before the newly entered order with the same SMP ID is at the top of the order queue, the remaining unmatched part of such existing order will be cancelled by HKATS;</li> </ul>

“Stock Futures Hedging Participant”	means a Market Maker in the Stock Futures Market registered as such under Rule 1614 to conduct Stock Futures Hedging Transactions;
“Stock Futures Hedging Short Selling”	means the short selling of the underlying stock of a Stock Futures Contract on SEHK as part of a Stock Futures Hedging Transaction;
“Stock Futures Hedging Transaction”	means the purchase or sale of the underlying stock of a Stock Futures Contract on SEHK for the purpose of hedging against short or long positions held by a Stock Futures Hedging Participant;
“Strike Price” or “Exercise Price”	means the agreed price of the underlying commodity at which an Option Contract may, subject to these Rules and the Regulations governing the Option Contract, be exercised;
“Substantial Shareholder”	has the meaning assigned to it by section 6 of Part 1 of Schedule 1 to the Ordinance;
“T Session”	means, in relation to an Exchange Contract, the morning trading session and afternoon trading session or the day trading session as specified in its Contract Specifications;
“T+1 Session”	means, in relation to an Exchange Contract, the after-hours trading session, if any, as specified in its Contract Specifications and for the purposes of these Rules, references to “T+1 Session on a Trading Day” shall, unless the context requires otherwise, be construed to mean the T+1 Session from commencement on a Trading Day to the close of that T+1 Session notwithstanding that it may extend beyond mid-night of the Trading Day, and the next Trading Day of such T+1 Session shall mean the Trading Day following the Trading Day on which such T+1 Session commences;
“Tailor-Made Combination”	means a strategy combination involving Exchange Contracts which is defined by an Exchange Participant using the tailor-made combination function of HKATS;
“Tender Process”	means the process undertaken prior to the tenth anniversary of the Scheme Effective Date whereby a holder of Futures Exchange Trading Right that was granted under the Futures Exchange Scheme and that had not been transferred or deemed to have been transferred

	may relinquish its Futures Exchange Trading Right upon the invitation of the Exchange for tender subject to such terms and conditions as the Exchange may in its absolute discretion determine from time to time and prescribe in the tender invitation;
“THM”	means the Trading Halt Mechanism imposed by the Exchange on the THM Exchange Contracts for the purpose of safeguarding market integrity from extreme price volatility, as referred to in Rule 829;
“THM Exchange Contract”	means an Exchange Contract with such Contract Month as may be prescribed by the Exchange to be subject to the THM;
“THM percentage”	means the percentage, as prescribed by the Exchange from time to time, for the purpose of calculating the price limits referred to in Rule 829(3);
“THM Reference Contract”	means an Exchange Contract with such Contract Month as may be prescribed by the Exchange, with reference to which a THM Exchange Contract shall be made in determining whether a trading halt in that THM Exchange Contract will be triggered;
“THM Reference Contract Order”	means an order for a THM Reference Contract other than an order for a (a) Tailor Made Combination; (b) spread or strategy combination listed in the “Series/Combination” window of HKATS (provided that a Bait Order generated automatically shall be included as a THM Reference Contract Order); and (c) Block Trade;
“THM reference price”	means the reference price, as prescribed by the Exchange from time to time, for the purpose of calculating the price limits referred to in Rule 829(3);
“Trader”	means a person including an individual or incorporated entity registered with the Exchange under the category of "Trader" pursuant to these Rules;
“Trading Day”	means, in relation to an Exchange Contract, any day (including any public holiday in Hong Kong) during which the Exchange is open for trading that Exchange Contract according to the

	trading calendar prescribed by the Exchange from time to time;
“trading hours”	means the period or periods of time on a Trading Day as from time to time specified by the Exchange in which trading in Markets is permitted;
“TraHK Units”	means units issued in accordance with the unit trust scheme named “Tracker Fund of Hong Kong” established by the trust deed dated 23 October 1999 between (1) State Street Global Advisors (HK) Limited as manager, (2) State Street Bank and Trust Company as trustee, and (3) Exchange Fund Investment Limited as promoter, as from time to time modified or added to;
“Transaction Register”	means the log-b file resident in HKATS which contains the records of all F/O Contracts arising from the matching of orders in HKATS;
“underlying commodity”	means the commodity by reference to which any Exchange Contract is made and reference to a “commodity underlying” an Exchange Contract shall be construed accordingly;
“Unusual Market Condition”	means in relation to a Market operated through HKATS, any unusual trading activity or volume in that Market or such other conditions as the Chief Executive may determine which deviate from the normal operation of that Market;
“variation adjustment”	means the amount payable by or to the Clearing House, and/or an Exchange Participant on behalf of a Client, calculated in accordance with Rules 408 to 411 of the Clearing House Rules;
“VCM”	means the Volatility Control Mechanism imposed by the Exchange on VCM Exchange Contracts for the purpose of safeguarding market integrity from extreme price volatility, as referred to in Rule 826;
“VCM Exchange Contract”	means an Exchange Contract with such Contract Month as may be prescribed by the Exchange to be subject to the VCM;
“VCM Exchange Contract Order”	means an order for a VCM Exchange Contract other than an order for (a) Tailor Made Combinations; (b) spread or strategy combination listed in the

“Series/Combination” window of HKATS (except derived orders generated automatically as Bait Orders); and (c) Block Trades;

“VCM percentage” means the percentage, prescribed by the Exchange from time to time, for the purpose of calculating the price limits as referred to in Rule 827(2);

“VCM reference price” means the reference price, prescribed by the Exchange from time to time, for the purpose of calculating the price limits as referred to in Rule 827(2);

“Weekly Contract” means an Exchange Contract that is named a “Weekly” contract;

“Year 2000 Compliant” means neither performance nor functionality of any system is affected by dates prior to, during and after the year 2000. In particular:

- (a) no value for the current date will cause any interruption in operation;
- (b) date-based functionality must behave consistently for dates prior to, during and after the year 2000;
- (c) in all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules; and
- (d) the year 2000 must be recognised as a leap year.

102. Unless the context otherwise requires, a reference to any Ordinance includes a reference to that Ordinance as from time to time modified or re-enacted and to any repealed Ordinance which it re-enacts (with or without modification).

103. Where the context so permits or requires, words importing the singular number only include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.

104. Headings are inserted for convenience only and shall not affect the construction of these Rules.

105. The notes to Exchange Participants contained in these Rules are inserted for guidance only and do not affect the construction of these Rules.

## Administration

106. These Rules shall be administered by the Chief Executive who may designate such of HKEX's staff as he considers appropriate to assist him in that function.
107. Unless in these Rules it is expressly provided to the contrary, all questions concerning the interpretation or application or any other matter in connection with these Rules shall be determined by the Chief Executive whose decision shall, in the absence of a successful appeal pursuant to the next following Rule, be final and binding on all parties. All such questions or matters determined by any designated member of the HKEX staff may be appealed on an ad hoc basis to the Chief Executive.
108. An appeal from any decisions made by the Chief Executive pursuant to Chapter VII of these Rules or pursuant to any disciplinary or summary action taken by the Chief Executive against an Exchange Participant (including but not limited to decisions made pursuant to Rule 807A, 1023 or 1123) shall be made to the Disciplinary Appeals Committee in accordance with the procedures set forth in Chapter VII. Other than in respect of decisions made as aforesaid, each Exchange Participant has a right of appeal from any decision, direction, determination, finding of fact or interpretation of the Chief Executive to the Board. Any such decision, direction, determination, finding of fact and/or interpretation shall be valid and effective against an Exchange Participant in all respects until the Board shall have come to a decision on the appeal. An appeal shall only be decided in favour of the appellant if not less than two thirds of the members of the Board present shall vote in favour of such appeal and the Board may vary, suspend or revoke any such decision, direction, determination, finding of fact and/or interpretation once an appeal has been allowed. The Board shall have the power, on hearing an appeal, to decide that the appeal is frivolous and/or vexatious and determine that the Exchange Participant lodging the appeal shall pay a fine of up to HK\$250,000 for bringing such an appeal. Any decision to fine made by the Board in these circumstances shall be final and binding on an Exchange Participant. The Board may from time to time prescribe procedures to give effect to the provisions of this Rule.
109. No action shall lie against and no liability of whatsoever nature and howsoever arising and whether in contract, tort or otherwise shall be incurred by the Exchange, the Board, any Director, the Chief Executive, any designated member of the HKEX staff, a recognized exchange controller which is the controller of the Exchange, or any other person or body of persons in the exercise or performance or purported exercise or performance in good faith of any function, duty, obligation, power, right, privilege or discretion conferred or imposed on them by or pursuant to these Rules for the purpose of or in connection with the application and administration thereof.

- 109A. No action shall lie against and no liability of whatsoever nature and howsoever arising and whether in contract, tort or otherwise shall be incurred by the Exchange, the Clearing House, the Board, any Director, the Chief Executive, any HKEX staff or a recognized exchange controller which is the controller of the Exchange directly or indirectly in connection with any failure, error or defect in, or unavailability of, the automated trading system or any other equipment, systems, services or facilities of the Exchange, the Clearing House or a recognized exchange controller which is the controller of the Exchange, including where such failure, error or defect or unavailability is caused by the automated trading system or any other equipment, systems or facilities of the Exchange not being Year 2000 Compliant.
110. No delay in the exercise of any power, right, privilege or discretion shall constitute a waiver of that or any other power, right, privilege or discretion.

#### Amendment

111. Subject to such approvals as may be required under the Ordinance, these Rules may be amended, supplemented, varied, modified, waived or repealed by the Board in whole or part from time to time and new Rules may be made at any time by resolution of the Board.

#### Notices to Exchange Participants and holders of Futures Exchange Trading Rights

112. (a) Every holder of a Futures Exchange Trading Right shall register with the Exchange an address in Hong Kong to which notices can be sent and if any holder of a Futures Exchange Trading Right shall fail to do so, notice may be given to such holder of a Futures Exchange Trading Right by sending the same in any manner hereinafter mentioned to his last known address, place of business or residence or, if there be none, by posting the same for three days at the registered office of the Exchange. Notices to an Exchange Participant may be sent to the Exchange Participant in any manner hereinafter mentioned to its last known address or any address at which it carries on F.O. Business or, if there be none, by posting the same for three days at the registered office of the Exchange.
- (b) Unless otherwise provided in these Rules, all notices, requests, demands or other communications from the Exchange to holders of Futures Exchange Trading Rights and the Exchange Participants may be given orally or in writing, in person or by post, by electronic or wire transmission, by telephone or facsimile, by posting on the HKEX website or by any means of computer data transmission including, but in no way limited to broadcast messages via HKATS or e-mail.
- (c) A notice delivered by hand shall be deemed to have been served at the time of delivery; a notice sent by prepaid letter shall be deemed to have been served on the day following its posting; a notice sent by facsimile



or electronic message shall be deemed to have been served on the day of despatch of the facsimile or electronic message; in the case of a notice sent by prepaid letter, in proving service thereof it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and stamped and was deposited in a post box or at the post office; a notice sent or delivered as aforesaid shall be deemed to have been served as aforesaid notwithstanding its being subsequently returned to the Exchange as undelivered, unaccepted or otherwise. In the case of communications made by the Exchange to a holder of Futures Exchange Trading Right and an Exchange Participant by posting on the HKEX website, the communications shall be deemed to have been received by the holder of the Futures Exchange Trading Right and the Exchange Participant immediately.

#### Transitional Provisions

113. Without limiting the generality of Rule 114, with effect from the Scheme Effective Date and unless the context requires otherwise:
- (a) the terms “Member” in the Rules, Regulations and Procedures prior to the Scheme Effective Date will have been substituted with the terms “Exchange Participant” or “holder of a Futures Exchange Trading Right” and the term “Exchange Participants” shall be construed accordingly. Each Member which was deemed to be an Exchange Participant under section 23(2) of the repealed Exchanges and Clearing Houses (Merger) Ordinance or which was entered in the list, roll or register of Exchange Participants kept by the Exchange shall continue to be bound by these Rules, Regulations and Procedures as Exchange Participants respectively.
  - (b) (deleted)
  - (c) (deleted)
  - (d) references to “the date of admission of an Exchange Participant” and “the notice of approval of Exchange Participants” shall, in the case of an Exchange Participant which was a Member of the Exchange immediately prior to the Scheme Effective Date, mean “the date the Exchange Participant was originally admitted as a Member of the Exchange under the Rules in force prior to the Scheme Effective Date” and “the notice of approval of its original Membership under the Rules in force prior to the Scheme Effective Date” respectively.
114. For the avoidance of doubt,
- (i) these Rules;

- (ii) all rights, privileges, obligations and liabilities accrued to or incurred by any person (including without limitation a holder of a Futures Exchange Trading Right or an Exchange Participant) prior to the Scheme Effective Date; and
- (iii) all registrations and approvals made or granted to a person (including without limitation a holder of a Futures Exchange Trading Right or an Exchange Participant) which were valid immediately prior to the Scheme Effective Date

shall continue to be valid and binding on that person whatever the capacity in which those rights, privileges, obligations, liabilities, registrations or approvals have been accrued, incurred, made or granted.

## CHAPTER II

### MARKETS AND COMMITTEES

#### Establishment and Classification of Markets

201. The Board may, with the approval of the Commission and subject to the Ordinances, establish and operate such Markets as it thinks fit and may classify such Markets as it thinks fit.

202. – 217. *(deleted)*

#### Appointment of Standing Committees

218. The Board may appoint such Standing Committees consisting of such member or members of the Board and/or such other person(s), on such terms as the Board thinks fit.

219. – 234. *(deleted)*

#### Sub-delegation

235. (a) Where the Board makes a delegation under these Rules or the Articles, it may at the same time authorize the person or committee to whom the delegation is made to sub-delegate the function delegated and such authorization may contain restrictions or conditions as regards the exercise of the power to sub-delegate under the authorization.

(b) Where any person or committee purports to act pursuant to a delegation or sub-delegation under this Rule, he or it shall be presumed, until the contrary is shown, to be acting in accordance with the terms of the delegation or sub-delegation.

## CHAPTER III

### EXCHANGE PARTICIPANTSHIP AND FUTURES EXCHANGE TRADING RIGHTS

#### General

301. Subject to these Rules and the Regulations, an Exchange Participant of the Exchange is entitled, by virtue of its Exchange Participantship, to trade on or through the facilities of the Exchange and to enjoy the other rights and benefits from time to time made available to Exchange Participants by the Exchange, in exchange for acceptance and discharge of the obligations and liabilities from time to time attaching to its Exchange Participantship.
302. The Board shall have power to establish categories of Exchange Participantship and to attach different rights, benefits, obligations and liabilities to each category established.

#### Application for Exchange Participantship

303. (a) Exchange Participants must ordinarily be companies.
- (b) Every new applicant for Exchange Participantship shall complete, sign and deliver to the Exchange an application in writing in such form as the Board may from time to time prescribe.
- (c) Every applicant must specify in its application the category of Exchange Participantship under which it seeks to be registered. No company which applies for Exchange Participantship as a Trader may be admitted to that category of Exchange Participantship unless ownership of its share and loan capital, and its management and control, are effectively vested in one individual.
- (d) In applying for Exchange Participantship or in applying to change the category of Exchange Participantship under which it is registered, every person shall follow the procedures from time to time prescribed by the Board.
304. (a) The Board shall decide on each application.
- (b) The decision as to whether or not an applicant should be admitted as an Exchange Participant is entirely in the discretion of the Board .

#### Approval or Refusal

305. (a) Every applicant shall be informed by notice in writing within 7 days after the relevant decision as to whether its application is approved or refused.
- (b) A copy of every notice of approval shall be sent to the Clearing House and the Commission.
- (c) Any notice of approval issued pursuant to this Rule may be subject to such conditions as the Board thinks fit.
- (d) If the Board refuses an application to be an Exchange Participant, the applicant may, within 14 Business Days after it is notified of the Board's decision, appeal in writing to the Exchange Participant Admission Appeals Committee whose decision will be final.

### Conditions

306. An applicant approved pursuant to Rule 305 shall not be admitted as an Exchange Participant unless and until he shall have satisfied all of the following conditions:-
- (a) paid in full all fees from time to time prescribed by the Board;
- (b) executed in the prescribed form an undertaking to be bound by these Rules and the Regulations and delivered to the Exchange a certified copy of a board minute authorising a director to sign the undertaking on behalf of the company;
- (c) (deleted)
- (d) become the holder of a Futures Exchange Trading Right;
- (e) satisfied the Exchange that there are no reasons why it should not be licensed as a licensed corporation to carry on Type 2 regulated activity under the Ordinance or duly licensed to carry on such regulated activity pursuant to any other regulatory provisions from time to time in force;
- (f) fulfilled the Financial Resources Rules and such other financial requirements as may be prescribed by the Exchange; and
- (g) complied with any other conditions specified in the notice of approval.
307. The conditions in Rule 306 must be satisfied within the time specified in the notice of approval or, if no such time is specified, within three months of such notice. If the conditions are not so satisfied, and the period for satisfaction is not extended by the Board, the approval in question will lapse and the application will be deemed to have been refused.

#### Date of Becoming Exchange Participant

308. A person is deemed to have become an Exchange Participant on the later of the date on which notice of approval of its application is given by the Board or the date on which all the conditions attached to such approval have been met to the satisfaction of the Exchange.

#### Regulatory Procedures

309. (a) Except as provided in paragraph (b) of this Rule, forthwith upon a person becoming an Exchange Participant, it shall as soon as practicable become a licensed corporation licensed to carry on Type 2 regulated activity under the Ordinance, or become duly licensed to carry on such regulated activity pursuant to any other regulatory provisions from time to time in force.
- (b) A person need not become registered, licensed or authorised as provided in paragraph (a) of this Rule if the Commission confirms in writing that, on the basis of the information available to it, it is satisfied that such person is not required by any statutory or regulatory provision to be so registered, licensed or authorised.
- (c) The Exchange may enter into an arrangement, provided that the Board considers the arrangement to be conducive to the object of the market, with any person or body which, in the opinion of the Board, exercises a regulatory function under Hong Kong or under foreign law. Where the Exchange has entered into such an arrangement, the Board may from time to time prescribe, in the context of such arrangement, the characteristics of a person an Exchange Participant is or is not entitled to treat as a Client, the types of orders that an Exchange Participant may accept from a Client and the procedures that an Exchange Participant must follow in accepting and handling orders from a Client, including the documentation which must be provided to the Client and the documentation and any representations that must be obtained from the Client and maintained by the Exchange Participant, and such other criteria as the Board may consider appropriate with reference to particular Exchange Contracts specified by the Board.
310. Notwithstanding its approval and admission as an Exchange Participant, no person shall be entitled to commence trading on or through the facilities of the Exchange until it is duly licensed as a licensed corporation to carry on Type 2 regulated activity under the Ordinance or is duly licensed to carry on such regulated activity pursuant to any other regulatory provisions from time to time in force, or until the Commission has given written confirmation that it is not required to be so registered, licensed or authorised pursuant to Rule 309(b).

## Certificates

311. (a) As soon as practicable after the later of the date on which a person becomes an Exchange Participant and the date on which an Exchange Participant (other than an Exchange Participant to whom Rule 309(b) applies) becomes duly registered, licensed or authorised by any regulatory body in accordance with Rule 309(a), the Secretary shall register such person as an Exchange Participant under the relevant category. Registration of an Exchange Participant on the register of Exchange Participants shall be proof of its Exchange Participantship and the Register of Exchange Participants shall be conclusive as to the information registered thereon.
- (b) The Exchange will no longer issue any certificate of Exchange Participantship to a new Exchange Participant or re-issue any certificate of Exchange Participantship issued to an Exchange Participant prior to 1 January 2021 that has been defaced, lost or destroyed.

## Categories of Exchange Participantship

312. (a) An Exchange Participant may be a Trader, a Broker, a Futures Commission Merchant or a Merchant Trader, each such category having the rights and obligations set out in these Rules.
- (b) All categories of Exchange Participant, subject to any requirements and/or conditions that the Board may impose from time to time, are entitled to trade in any Markets operated by the Exchange.
- (c) A Trader is entitled to trade in Futures Contracts and/or Options Contracts on its own account only.
- (d) A Broker is entitled to trade in Futures Contracts and/or Options Contracts on its own account only. A Broker may also act as the agent of an Exchange Participant for the sole purpose of concluding trades on any Markets operated by the Exchange. In no circumstances may a Broker carry a trading account for an Exchange Participant for whom it acts as such agent.
- (e) A Futures Commission Merchant is entitled to trade in Futures Contracts and/or Options Contracts on its own account, for the account of other Exchange Participants and for the account of any other persons.
- (f) A Merchant Trader is entitled to trade in Futures Contracts and/or Options Contracts only on its own account and only ancillary to its

principal business or that of its holding company, as set out in Rule 502(h).

- (g) Where an Exchange Participant is the Client of another Exchange Participant, the Client Exchange Participant shall, except for such purposes as the Exchange may prescribe, be treated, and F.O. Business transacted on its behalf, in exactly the same way as any other Client and any other Client's F.O. Business is required to be treated and transacted under these Rules.

#### Financial Requirements

- 313. Every Exchange Participant shall at all times comply with the Financial Resources Rules and where applicable the financial resources requirements made under Rule 313A.
- 313A. Notwithstanding the Financial Resources Rules, the Chief Executive may increase the requirements thereunder in respect of any Exchange Participant to suit the circumstances of a particular case or of Exchange Participants generally, if he deems that circumstances so justify. Such increased requirements may be subsequently varied by the Chief Executive as various circumstances may exist which require the Chief Executive to make ad hoc decisions. However, every Exchange Participant must still comply with the Financial Resources Rules.
- 314. (deleted)
- 315. (a) The Chief Executive shall ensure that changes in the prevailing minimum financial resources requirements determined pursuant to Rule 313A are promptly notified to all relevant Exchange Participants in such manner as the Board may specify.
- (b) The Chief Executive shall ensure that the Commission is notified of all prevailing minimum financial resources requirements as determined by the Chief Executive pursuant to Rule 313A and shall notify the Commission immediately of any changes in the minimum financial resources requirements prevailing from time to time.
- (c) If any discrepancy exists between the financial resources requirements set forth in these Rules and those set forth in the Financial Resources Rules, the level which is higher or more stringent shall prevail.
- 315A. (1) In addition to giving the notification required under Rule 506(f), an Exchange Participant shall, where it becomes aware of the matter stated in section 146(1) of the Ordinance, cease dealing in Futures Contracts and Option Contracts otherwise than for the purpose of completing such transactions as the Commission may permit under section 146(1) of the Ordinance, or unless otherwise permitted by the Commission under section 146(2) of the Ordinance.



- (2) An Exchange Participant is and shall be deemed to have been aware of any of the matters which require notification under Rule 506(f) if it or any of its Responsible Officers is or would, with the exercise of reasonable diligence, have been aware of such matters.
- 315B. (1) The Exchange is required to notify forthwith the Commission if it becomes aware:-
- (a) that an Exchange Participant is unable to comply with the financial resources requirements made under Rule 313A or the Financial Resources Rules; and
  - (b) of any financial irregularity or other matter which in the opinion of the Exchange may indicate that the financial standing or integrity of an Exchange Participant is in question.
- (2) If the Exchange gives notification to the Commission pursuant to section 21(5) of the Ordinance upon becoming aware of any matter referred to in Rule 315B(1)(a) or (b), then even if the Exchange Participant concerned subsequently establishes that it is not the case, such Exchange Participant shall not be entitled to claim against the Exchange or the Board or any recognized exchange controller which is the controller of the Exchange for any loss or damage whatsoever.

#### Register of Exchange Participants

316. (a) The Secretary shall keep a register of Exchange Participants containing the full names and addresses of each Exchange Participant, particulars of the category of Exchange Participantship under which each Exchange Participant is registered, the date of admission of each Exchange Participant and registration, licence or authorisation by the appropriate regulatory body and, if the Board has so determined in any particular case, a note of any disciplinary action to which any Exchange Participant has been subject under these Rules, and such other information required by law or by the Exchange from time to time.
- (b) The register of Exchange Participants shall be open for inspection at any time during normal office hours by the Commission, any Exchange Participant, any representative of the Clearing House or any member of the public. Members of the public inspecting the register shall pay such inspection fee as may from time to time be prescribed by the Chief Executive.

#### Publication of a list of Exchange Participants

- 316A. The Exchange shall maintain and keep up to date at regular intervals a list of Exchange Participants in each category in existence at the time. The Exchange

shall publish such lists on the HKEX website or by such other means as it considers appropriate.

Legislative Council Ordinance

317. Pursuant to Section 20U of the Legislative Council Ordinance (Cap. 542), the following class of Exchange Participants shall not be exchange participants for the purposes of the Legislative Council Ordinance: Exchange Participants which are suspended by the Exchange pursuant to Rule 702(a)(ii) or 706.

## CHAPTER IIIA

### FUTURES EXCHANGE TRADING RIGHTS

#### Compliance with Rules

3A01. These Rules contain provisions affecting holders of Futures Exchange Trading Rights. A Futures Exchange Trading Right is conferred subject to the rights and obligations provided in these Rules and any rules, regulations, procedures or guidelines made hereunder, and any amendments thereto from time to time.

#### Futures Exchange Trading Right to be Pre-requisite to Admission as Exchange Participant

3A02. In accordance with the provisions of Rule 306(d), no person shall become an Exchange Participant unless he is a holder of a Futures Exchange Trading Right.

3A03. Futures Exchange Trading Rights may be conferred by the Board on such terms and conditions as it may determine from time to time.

#### Application for the issue of a Futures Exchange Trading Right

3A03A. (a) Every new applicant for a Futures Exchange Trading Right shall complete, sign and deliver to the Exchange an application in writing in such form as the Board may from time to time prescribe. The Exchange may prescribe different forms for different applicants.

(b) In applying for a Futures Exchange Trading Right, every person shall follow the procedures from time to time prescribed by the Board.

(c) Without prejudice to Rules 3A03A(a) and (b), the Board may invite members of any exchanges or organizations to apply (either by the member itself or by a company within the same group of companies of the member and designated by the member to make the application) for Futures Exchange Trading Rights and for Exchange Participantship in accordance with these Rules. The Board has absolute discretion to determine the eligibility of such applicants and the period within which the applications are required to be made except that an applicant must be duly licensed as a licensed corporation to carry on Type 2 regulated activity under the Ordinance.

3A03B. (a) The Board shall decide on each application.

(b) (deleted)

- (c) The decision as to whether or not an applicant should be issued a Futures Exchange Trading Right is entirely in the discretion of the Board whose decision shall be final and conclusive.

#### Approval

- 3A03C. (a) Every applicant shall be informed by notice in writing as soon as possible after the relevant decision as to whether its application is approved or refused.
- (b) Any notice of approval issued pursuant to this Rule may be subject to such conditions as the Board thinks fit.

#### Conditions

- 3A03D. An applicant approved pursuant to Rule 3A03C shall not be issued a Futures Exchange Trading Right unless and until it shall have satisfied all of the following conditions:
- (a) paid in full all fees (including the fee for the Futures Exchange Trading Right) from time to time prescribed by the Board;
  - (b) irrespective of any special conditions imposed by the Board, simultaneously upon the issue of a Futures Exchange Trading Right become an Exchange Participant if not already an Exchange Participant; and
  - (c) complied with any other conditions specified in the notice of approval.
- 3A03E. The conditions in Rule 3A03D must be satisfied within the time specified in the notice of approval. If the conditions are not so satisfied, and the period for satisfaction is not extended by the Board, the approval in question will lapse and the application will be deemed to have been refused.

#### Holding of Futures Exchange Trading Rights

- 3A04. A Futures Exchange Trading Right may not be held jointly.
- 3A05. A person may hold more than one Futures Exchange Trading Right.
- 3A06. Each holder of Futures Exchange Trading Right(s) shall be liable to pay to the Exchange such monthly subscription fees or other charges as may be determined by the Board from time to time.

#### Register of holders of Futures Exchange Trading Rights

- 3A07. The Exchange shall establish a register of holders of Futures Exchange Trading Rights and enter therein the following particulars:

- (a) the names and addresses, and the occupations or descriptions, of the holders and distinguishing each right by its number so long as the right has a number;
- (b) the date on which each person was entered in the register as a holder;
- (c) the date on which any person ceased to be a holder; and
- (d) (deleted)
- (e) such other details as may be determined by the Board from time to time.

3A08. The register may be kept by the use of any method or means, mechanical or electric, electronic or otherwise.

#### Futures Exchange Trading Right Certificate

- 3A09. (a) Subject to Rule 3A09(b), each holder of Futures Exchange Trading Right(s) will be issued an Exchange Trading Right certificate in respect of each Futures Exchange Trading Right held by it which shall be prima facie evidence of the entry of his or its name in the register of holders of Futures Exchange Trading Rights kept by the Exchange.
- (b) No Exchange Trading Right certificate in respect of Futures Exchange Trading Right will be issued to a holder of Futures Exchange Trading Right from the tenth anniversary of the Scheme Effective Date. Where an Exchange Trading Right certificate issued prior to the tenth anniversary of the Scheme Effective Date is defaced, lost or destroyed, no new certificate will be issued irrespective of the circumstances of the defacing, loss or destruction.

3A10. (deleted)

#### No Charge of Futures Exchange Trading Rights

3A11. No holder of Futures Exchange Trading Right(s) shall sell, transfer, pledge, mortgage or create any trust, charge, lien or any other encumbrance over the Futures Exchange Trading Right(s) it holds, nor assign any of its rights, benefits or privileges as a holder of Futures Exchange Trading Right(s) otherwise than in accordance with these Rules. The Exchange shall not be bound or compelled in any way to recognise (even when having notice thereof) any dealing or disposition made in contravention of this Rule.

#### No Transfer of Futures Exchange Trading Right

3A12. (a) With effect from the tenth anniversary of the Scheme Effective Date,

Futures Exchange Trading Rights which were granted under the Futures Exchange Scheme are not transferable. For purposes of this Rule 3A12(a), the following will not be transfers:

- (A) the transmission of a Futures Exchange Trading Right to a person in consequence of the death of its recorded holder;
- (B) the assignment of a Futures Exchange Trading Right from an individual to a company of which he is the sole beneficial owner; and
- (C) a liquidator, receiver or trustee in bankruptcy taking possession of a Futures Exchange Trading Right in such capacity.

For the avoidance of doubt, the person and the company to whom a Futures Exchange Trading Right is transmitted or assigned and the liquidator, receiver or trustee in bankruptcy taking possession of a Futures Exchange Trading Right shall be bound by these Rules, the Regulations and the Procedures as if he or it were the recorded holder.

- (b) Futures Exchange Trading Rights which were not granted under the Futures Exchange Scheme shall not be transferable.

3A13. (deleted)

#### Fragmentation of Futures Exchange Trading Rights

3A14. A Futures Exchange Trading Right cannot be fragmented into separate rights for different products unless so authorised by the Exchange.

#### Revocation of Futures Exchange Trading Rights

- 3A15. (a) If the rights of an Exchange Participant are revoked for any reason, the Exchange may, with effect from the date of revocation of Exchange Participantship, revoke any Futures Exchange Trading Right of the Exchange Participant. Upon revocation, the name of the Exchange Participant shall be removed from the register of holders of Futures Exchange Trading Rights. The Exchange shall not, by virtue of anything done under this Rule 3A15(a), be deemed to have assumed or acquired any obligation attaching to the Futures Exchange Trading Right(s) of the Exchange Participant and the Exchange Participant shall have no claim against the Exchange whatsoever.
- (b) In the event that the rights of an Exchange Participant and any Futures Exchange Trading Right of the Exchange Participant are revoked as referred to in Rule 3A15(a), the Exchange Participant shall remain liable for all legal and other incidental costs or disbursements incurred by the Exchange in connection with the revocation and any sums

owing by the Exchange Participant (whether in its capacity as an Exchange Participant, a holder of Futures Exchange Trading Right(s) or in any other capacity) to the Exchange, a recognized exchange controller which is the controller of the Exchange and any company of which a recognized exchange controller which is the controller of the Exchange is a controller.

#### Relinquishment of Futures Exchange Trading Rights

- 3A16. (a) A holder of Futures Exchange Trading Right(s) may, without affecting existing rights or obligations which have accrued and subject to these Rules, at any time relinquish its Futures Exchange Trading Right(s) without penalty or compensation whereupon its name shall be removed from the register of holders of Futures Exchange Trading Rights.
- (b) (deleted)
- (c) Notwithstanding Rule 3A16(a), the holder of Futures Exchange Trading Right whose tender has been selected under a Tender Process shall relinquish its Futures Exchange Trading Right within six months from the date of the notice of acceptance of the tender issued by the Exchange and in accordance with the procedures as from time to time determined by the Exchange. Any payment due to the holder of Futures Exchange Trading Right will be made by the Exchange as soon as practicable after he or it has relinquished his or its Futures Exchange Trading Right.
- (d) The holder of the Futures Exchange Trading Right shall be deemed to relinquish his or its Futures Exchange Trading Right at the expiry of six months under Rule 3A16(c) and whereupon the holder of the Futures Exchange Trading Right shall be removed from the register of holders of Futures Exchange Trading Rights.
- 3A16A. (a) Notwithstanding Rule 3A16, a corporate holder of a Futures Exchange Trading Right which intends to re-organize its business of dealing in futures contracts by having that business being conducted under one single entity together with that of the business of dealing in securities or any similar re-organization may, at any time and subject to such conditions from time to time prescribed by the Exchange, apply to relinquish its Futures Exchange Trading Right to such entity which shall be a company within its own group of companies.
- (b) For the purposes of Rule 3A16A(a), the holder of the Futures Exchange Trading Right shall complete, sign and deliver to the Exchange an application in writing in such form as the Board may from time to time prescribe to relinquish its Futures Exchange Trading Right and to nominate a company within its own group of companies to take up a new Futures Exchange Trading Right to be issued by the

Exchange if its application to relinquish its Futures Exchange Trading Right under Rule 3A16A(a) is approved by the Board. The company so nominated by the holder of the Futures Exchange Trading Right shall simultaneously apply to become an Exchange Participant (if it is not already an Exchange Participant) in accordance with these Rules. Upon the issue of a Futures Exchange Trading Right to the company so nominated, it shall simultaneously become an Exchange Participant.

- (c) The Board may, if it approves the application of the holder of the Futures Exchange Trading Right to relinquish the Futures Exchange Trading Right and the application of the company nominated to take up the Futures Exchange Trading Right to become an Exchange Participant, issue a new Futures Exchange Trading Right to the company nominated subject to the payment in full of all the fees and charges from time to time prescribed by the Board in relation to the relinquishment and issue of the Futures Exchange Trading Right and to the compliance of all conditions prescribed by the Board in relation to such applications.
- (d) The holder of the Futures Exchange Trading Right shall be deemed to relinquish its Futures Exchange Trading Right when the new Futures Exchange Trading Right is issued to the company so nominated and whereupon its name shall be removed from the register of holders of Futures Exchange Trading Rights.
- (e) The decision of the Board in respect of an application to relinquish a Futures Exchange Trading Right under Rule 3A16A shall be final and conclusive.

3A17. No holder of Futures Exchange Trading Right(s) may relinquish its Futures Exchange Trading Right(s) except with the prior written approval of the Board which may be given subject to any conditions the Board thinks fit. Pending such approval, these Rules shall continue to bind any holder of Futures Exchange Trading Right(s) which has given notice of relinquishment as if such notice had not been given and the jurisdiction of the Exchange over that holder of Futures Exchange Trading Right(s), its business, affairs and employees shall be in no way affected by such notice.

3A18. Without prejudice to the right of the Board to impose any conditions as it thinks fit, the Board shall not give approval for relinquishment of a Futures Exchange Trading Right unless it is satisfied that the holder has discharged all claims and obligations that have accrued prior to the date at which it proposes to relinquish its Futures Exchange Trading Right.

#### Disciplinary Action against holders of Futures Exchange Trading Rights

3A19. A holder of a Futures Exchange Trading Right who in any manner contravenes these Rules, the Regulations, the Procedures, any conditions imposed on the



approval of issue or transfer of a Futures Exchange Trading Right or any other requirements imposed on a holder of a Futures Exchange Trading Right in its capacity as a holder of a Futures Exchange Trading Right may be liable to disciplinary proceedings. The procedures regarding disciplinary proceedings against Exchange Participants set forth in Chapter 7 of these Rules shall mutatis mutandis apply to disciplinary proceedings that may be instituted against a holder of a Futures Exchange Trading Right.

3A20. The following disciplinary powers may be exercised against a holder of a Futures Exchange Trading Right:

- (a) revocation of its Futures Exchange Trading Right;
- (b) suspension in full or in part of the rights of the holder of a Futures Exchange Trading Right;
- (c) issuance of a reprimand;
- (d) issuance of a public censure;
- (e) imposition of a fine;
- (f) imposition of interest or penalty for late payment of fees;
- (g) issuance of a warning including, as appropriate, a requirement that certain actions be taken within the period specified in the warning and specifying the sanction (including a fine, suspension or revocation) in the event that such actions are not taken within the specified period;
- (h) imposition of any other restriction or condition on the rights of the holder of a Futures Exchange Trading Right;
- (i) (deleted)
- (j) revocation of its Futures Exchange Trading Right as set forth in Rule 3A15; and
- (k) requirement for rectification or other remedial action or restitutionary measures to be taken within a stipulated period.

3A21. A holder of a Futures Exchange Trading Right shall remain bound by these Rules, the Regulations and the Procedures notwithstanding any disciplinary proceedings being instituted against it, any prohibitions, restrictions, conditions or other disciplinary sanctions being imposed upon it or any of its rights being suspended.

3A22. The Exchange, a recognized exchange controller which is the controller of the Exchange, their officers, directors, employees, agents or representatives or any

other person or entity associated with them shall have no liability whatsoever for any losses, damages, claims, legal costs or other expenses that a holder of a Futures Exchange Trading Right may suffer or incur, whether directly or indirectly (including any loss of profit or any damage to reputation) by reason of any disciplinary proceedings instituted or disciplinary measures taken pursuant to these Rules.

## CHAPTER IV

### MARKET PRESENCE

401. Only the following persons shall, subject to the Rules, be entitled to have access to HKATS:-

- (a) an Authorized Person;
- (b) (deleted)
- (c) designated HKEX staff;
- (d) such other persons as the Chief Executive may determine; and
- (e) such other persons authorized under these Rules,

and all such persons shall be subject to Rule 807A (disconnection from HKATS).

402. to 407. (deleted)

408. The Exchange will release password(s) to each Exchange Participant to enable it to gain access to HKATS and all Exchange Participants shall pay particular attention to the security of such passwords and shall not under any circumstances distribute or disclose any password to any other person other than its Authorized Persons. The Exchange Participant shall procure that all Authorized Persons assigned with passwords shall not disclose them or share with any other person.

409. Exchange Participants shall procure that their Authorized Persons at all times comply with all applicable provisions of these Rules, the Regulations, the Procedures and any other directives from time to time made in respect of the operations of the Exchange. Where the acts and omissions of an Authorized Person would have been subject to the Rules, Regulations and Procedures had such acts or omissions been committed by the Exchange Participant, then such acts or omissions shall be deemed to be committed by that Exchange Participant and disciplinary action may be taken against the Exchange Participant.

## CHAPTER V

### GENERAL OBLIGATIONS OF EXCHANGE PARTICIPANTSHIP

#### Adherence to Rules

501. Each Exchange Participant shall adhere strictly to and be bound by the provisions of the Ordinance, these Rules, the Regulations, the Procedures and any conditions stipulated in the notice of approval of its Exchange Participantship given pursuant to Rule 305 or in any approval given by the Exchange and shall at all times comply with the decisions, directions, determinations, findings of fact and/or interpretation of the Board, the Chief Executive and any other person or body of persons in the exercise or performance of any function, duty, obligation, power, right, privilege or discretion conferred on it by or pursuant to these Rules for the purposes of or in connection with the application and administration thereof.

#### Continuing Obligations of Exchange Participant

502. Each Exchange Participant must at all times:-

- (a) hold at least one Futures Exchange Trading Right;
- (b) (deleted)
- (c) (deleted)
- (d) be a limited company incorporated in Hong Kong;
- (e) comply with the requirements of Rule 530 (Participantship of Clearing House);
- (f) in the case of an Exchange Participant registered under the category of Trader, notify the Exchange promptly on demand of the identity of the person in whom ownership of its share and loan capital, and its management and control, are effectively vested;
- (g) (deleted)
- (h) in the case of an Exchange Participant registered under the category of Merchant Trader:-
  - (i) be a company whose principal business comprises dealing in one or more commodities underlying an Exchange Contract; or

- (ii) be a subsidiary of a company or entity whose principal business comprises dealing in one or more commodities underlying an Exchange Contract;

and all F.O. Business of a Merchant Trader must be conducted in connection with or ancillary to the said principal business of the Merchant Trader or its holding company;

- (i) (except in relation to Exchange Participants to which Rule 309(b) applies) be, or deemed to be, duly licensed as a licensed corporation to carry on Type 2 regulated activity under the Ordinance;
- (j) hold a valid business registration certificate under the Business Registration Ordinance;
- (k) comply with the Financial Resources Rules and such other financial requirements from time to time prescribed by the Exchange; and
- (l) comply with all requirements for the maintenance, operation, use and security of HKATS insofar as they relate to the Exchange Participant.

#### No Trust of Exchange Participant Rights

503. No Exchange Participant shall assign, sell, transfer, pledge, mortgage or create any trust, charge, lien or other encumbrance over its rights, benefits or privileges as an Exchange Participant. The Exchange shall not be bound or compelled in any way to recognise (even when having notice thereof) any dealing or disposition made in contravention of this Rule.

504. (deleted)

#### Restrictions on Resignation

505. No person may resign as an Exchange Participant of the Exchange except with the prior written approval of the Board which may be given subject to any conditions the Board thinks fit. Pending such approval, these Rules shall continue to bind any Exchange Participant which has given notice of resignation as if such notice had not been given and the jurisdiction of the Exchange over that Exchange Participant, its business, affairs and employees shall be in no way affected by such notice.

#### General Obligations and Obligations to notify the Exchange and the Commission

506. An Exchange Participant shall notify the Exchange in writing immediately upon the happening of any one or more of the following:-

- (a) the discovery of a failure by it to comply with any of these Rules, the Regulations, the Procedures, the Ordinance or any of the conditions stipulated in the notice of approval of its Exchange Participantship given pursuant to Rule 305 or in any approval given by the Exchange;
- (b) the passing of any resolutions, the initiation of any proceedings, or the making of any order which may result in the appointment of a receiver, provisional liquidator, liquidator or administrator or the winding-up, re-organisation, reconstruction, amalgamation, dissolution or bankruptcy of the Exchange Participant or any of its shareholders or the making of any receiving order or arrangement or composition with creditors;
- (c) the bankruptcy of any of its directors;
- (d) its becoming aware of any breach of these Rules, the Regulations, the Procedures or the Ordinance perpetrated by any other Exchange Participant;
- (e) its becoming aware of any matter required to be notified to the Exchange, the Board or the Chief Executive under these Rules;
- (f) the occurrence of any of the events that require notification to be given to the Commission under section 146 of the Ordinance and/or sections 54 and 55 of the Financial Resources Rules;
- (g) the exercise of any disciplinary measure against it by any regulatory or other professional or trade body or the refusal, suspension or revocation of any regulatory licence consent or approval required in connection with its business;
- (h) any other events as the Board may from time to time specify; and
- (i) any failure or apparent failure in the operation or functioning of its HKATS equipment or any other equipment, system or facilities that are critical to the business operation of the Exchange Participant.

506A. An Exchange Participant shall, upon the Board's direction, provide the Exchange with any information requested by an exchange, regulatory authority or an organization (whether within or outside Hong Kong) with whom HKEX or the Exchange has entered into an information sharing arrangement or agreement.

507. An Exchange Participant shall promptly upon the request of the Exchange provide the Exchange with information as the Exchange may from time to time require for the purposes of these Rules or for the performance of its functions under the Ordinance. An Exchange Participant shall, if requested by the Exchange, :-

- (a) give prompt notice to the Exchange of any change in any information supplied for its Exchange Participants whether supplied to the Exchange at the time of application for Exchange Participants or any time thereafter.
- (b) (deleted)
- (c) (deleted)

507A. Any person who has been approved by the Commission under Part V of the Ordinance as a substantial shareholder shall be registered by the Exchange as a Substantial Shareholder. Any Exchange Participant with Substantial Shareholder(s) shall promptly provide to the Exchange in writing the name and detailed information as required by the Exchange of any person registered as a substantial shareholder under the Part V of the Ordinance.

508. (deleted)

508A. For the avoidance of doubt, the reference in Rule 507(a), to “application for Exchange Participants” shall, in the case of an Exchange Participant which was a Member immediately prior to the Scheme Effective Date, mean its application for Membership under the then prevailing Rules.

#### Names of Exchange Participants

509. An Exchange Participant shall carry on business in Hong Kong in its registered company name only, and not under any other name.

510. (deleted)

#### Addresses of Exchange Participants

511. (a) Each Exchange Participant shall maintain a record of every address at which it carries on F.O. Business and shall indicate one address as its principal or main place of business.

(b) In relation to each such address, each Exchange Participant shall immediately upon the request of the Exchange notify the Exchange of the place where the Exchange Participant’s books and records relating to the F.O. Business carried out at that address are kept and any change in such place. Each Exchange Participant shall maintain a record of every place at which its books and records are kept and shall, so far as practicable, keep all its books and records in one place. If any original books and records are not kept in Hong Kong, the Exchange may require that duplicate books and records be kept in Hong Kong and maintained up to date on a day to day basis.

- (c) (deleted)
- (d) In the event of any doubt as to whether activities carried on at an address amount to the carrying on of F.O. Business, the opinion of the Chief Executive as to whether the activities amount to the carrying on of F.O. Business shall be final and conclusive.

512. (deleted)

513. (deleted)

514. (deleted)

#### General Conduct in Business and Trading

515. – 516. (deleted)

517. No Exchange Participant shall, in Hong Kong or elsewhere, take part in, be concerned in, or carry out, directly or indirectly, one or more transactions with the intention that it or they has or have, or is or are likely to have, the effect of creating an artificial price or maintaining at a level that is artificial (whether or not it was previously artificial) a price, for dealings in an Exchange Contract or for a commodity which is the subject of an Exchange Contract.

518. No Exchange Participant shall, in Hong Kong or elsewhere, do anything or cause anything to be done, with the intention that it has, or is likely to have, the effect of creating a false or misleading appearance :-

- (a) of active trading in Exchange Contracts; or
- (b) with respect to the market for, or the price for dealings in, Exchange Contracts.

519. No Exchange Participant shall, in Hong Kong or elsewhere, enter into or carry out directly or indirectly, any fictitious or artificial transaction or device, with the intention that it has the effect of maintaining, increasing, reducing, stabilizing, or causing fluctuations in the price of any Exchange Contract.

520. No Exchange Participant shall buy or sell any Futures Contract or Options Contract or attempt to do so or participate in a scheme or plan to do so for the purpose of unduly or improperly influencing the market price of any Futures Contract or Options Contract, or for the purpose of manipulating or attempting to manipulate prices or cornering or attempting to corner any market of any commodity, or creating a market or other situation detrimental to the Exchange.

521. Each Exchange Participant shall procure that all F.O. Business conducted by it relating to Exchange Contracts shall be concluded on or through the facilities of



the Exchange and that all F/O Contracts are reported and registered with the Clearing House in such manner as the Exchange or the Clearing House shall from time to time prescribe, for clearing by the Clearing House in accordance with its rules.

522. No Exchange Participant shall directly or indirectly:-
- (a) be interested in or associated in business with, or transact any business with or for:-
    - (i) any individual, body corporate, partnership or other form of business organisation conducting F.O. Business relating to Exchange Contracts other than on or through the facilities of the Exchange; or
    - (ii) any individual, body corporate, partnership or other form of business organisation making a practice of unlawful dealing in difference in market quotations of commodities;
  - (b) allow any of its offices to be used for such purposes; or
  - (c) be party or privy to any arrangements the purpose or effect of which is that instructions for the transaction of F.O. Business on behalf of any person are dealt with in a manner which, in the context of the arrangements as a whole, can reasonably be regarded as unlawful dealing in differences in market quotations of commodities or as constituting or involving betting, wagering, gaming or gambling with respect to such items.
- 522A. Each Exchange Participant shall achieve Year 2000 Compliance in respect of all systems used for the purposes of conducting its F.O. Business, including its trading system, accounting system, and any back-office clearing and settlement systems. Each Exchange Participant shall immediately notify the Exchange of any failure, error or defect in such systems which is caused by such systems not being Year 2000 Compliant.
- 522B. In accordance with paragraph 4.3 of the SFC Code of Conduct, each Exchange Participant should have internal control procedures and financial and operational capabilities which can be reasonably expected to protect its operations, its Clients and other Exchange Participants from financial loss arising from theft, fraud, and other dishonest acts, professional misconduct or omissions.
- 522C. Except as may otherwise be permitted by the Chief Executive, under no circumstances shall an Exchange Participant deal with an Exchange Participant whose Exchange Participantship or right to access HKATS has been suspended.

523. – 526. (deleted)

Responsible Officers and Employees

527. (deleted)

527A. Unless otherwise determined by the Exchange, all licensed representatives of an Exchange Participant who have been approved by the Commission under Part V of the Ordinance as responsible officers in relation to Type 2 regulated activity shall be registered with the Exchange as Responsible Officers and be placed on the Register of Responsible Officers kept by the Exchange. Upon request by the Exchange, an Exchange Participant shall promptly provide to the Exchange any information of any of its responsible officers. Each Responsible Officer shall undertake to comply with all applicable Rules, any relevant regulations, procedures and guidelines made hereunder or any conditions and directions from time to time prescribed by the Exchange. At all times, an Exchange Participant shall have at least one Responsible Officer who is an executive director of the Exchange Participant registered with the Exchange.

527B. (deleted)

527C. (deleted)

527D. The Chief Executive may, at any time, revoke the registration of any Responsible Officers.

528. (a) Each Exchange Participant shall maintain a register of its employees which must be kept up-to-date and made available to designated HKEX staff on demand. This register shall contain the following particulars with respect to each employee:-

his present forename and surname (including in the case of a Chinese employee the Chinese characters for his forename and surname)

any former surname

any alias

his job title

his usual residential address

his nationality

the number of his Hong Kong identity card

the date of his becoming or ceasing to be an employee

the name and address of every former employer of such employee within the two years immediately preceding the commencement of his employment by the Exchange Participant

particulars of every licence, registration or authorization at any time maintained by or in respect of such employee pursuant to the Ordinance or other regulatory provisions including the licence, registration or authorization number, the date of licence granted, first registration or authorization and the date of revocation of such licence, registration or authorization.

- (b) (deleted)
- (c) (deleted)
- (d) Each Exchange Participant shall ensure that every employee and Authorized Person of such Exchange Participant is competent and has acquired the necessary skills and knowledge to carry out his responsibilities.
- (e) (deleted)

529. Each Exchange Participant shall be liable for all the actions of its employees, Responsible Officers and Authorized Persons, and shall be liable to disciplinary action in respect of any act or omission of its employees, Authorized Persons and Responsible Officers in any of the circumstances set out in Rule 701.

#### Participation of Clearing House

- 530. (a) Each Exchange Participant which intends to clear trades in its own name through the Clearing House must be registered as a Participant of the Clearing House.
- (b) Each Non-Clearing Participant intending to trade in a Market operated by the Exchange whether for its own account or otherwise must first enter into an agreement with an HKCC Participant which is registered under the category "General Clearing Participant" relating to the clearing of trades through the Clearing House in such form or containing such provisions as may from time to time be required by the Clearing House and shall at all times ensure that such agreement remains in full force and effect. A Non-Clearing Participant shall give prior notice to the Exchange in writing of the termination of such agreement before it is actually terminated, unless the General Clearing Participant has already given notice to terminate the agreement to HKCC in accordance with the Clearing House Rules. Unless or until such time as an Exchange Participant is or becomes a Participant of the Clearing House or has a valid, binding and effective clearing agreement with a General Clearing

Participant, it shall not be allowed to trade on or through the facilities of the Exchange.

- (ba) A Non-Clearing Participant which has entered into clearing agreements with more than one General Clearing Participant must ensure that each trade of the Non-Clearing Participant is designated to the relevant General Clearing Participant for clearing on the basis of the HKATS log-in through which the trade is executed or in such other manner as the Exchange may specify and must have arrangements in place to notify the General Clearing Participant of such designation. The Exchange may impose a limit on the number of clearing agreements into which a Non-Clearing Participant may enter. A Non-Clearing Participant which has appointed only one General Clearing Participant to clear its trades is deemed to have all trades executed by itself designated to the General Clearing Participant for clearing.
- (c) When an Exchange Participant registers trades with the Clearing House on behalf of Clients who are not Participants of the Clearing House, it shall not match one Client's trades against another Client's trades and close out such trades with the Clearing House.

531. – 533. (deleted)

#### Professional Accountant's Report

- 534. (a) The Exchange or the Commission may require an Exchange Participant to obtain a report from a Professional Accountant in the form specified by the Exchange or Commission from time to time.
- (b) When a Professional Accountant is appointed by an Exchange Participant to prepare a report required under Rule 534 (a):-
  - (i) the Exchange Participant shall provide to the Professional Accountant a written appointment letter specifying the terms and conditions of the appointment and the duties of the Professional Accountant including but not limited to the following provisions:-
    - (A) that the Professional Accountant is thereby authorised and required to submit to the Exchange and the Commission such report as required under the appointment;
    - (B) that the Professional Accountant is thereby authorised and required to disclose to the Exchange and the Commission all information obtained whilst performing his duties

under the appointment concerning the purpose(s) for which he is appointed, provided that this paragraph shall not require the Professional Accountant to disclose any particular part of such information where that particular part also relates to a third party and may not be communicated by the Professional Accountant as stipulated in this paragraph by virtue of a legal obligation owed by the Professional Accountant to that third party which prevents such communication;

(C) that the Professional Accountant is thereby authorised and required to include with any qualification of his report to the Exchange and the Commission under Rule 534(b)(i)(A), a statement specifying the relevant requirements of the Exchange and the Commission and the reasons why the opinion expressed in such a report is qualified; and

(D) the terms upon which the Exchange Participant appoints a Professional Accountant under Rule 534(a) must provide, inter alia, that :-

(1) the Professional Accountant is authorised and required, within 5 Business Days of the resignation of his duties as a Professional Accountant for the Exchange Participant to provide the Exchange and the Commission with:-

(a) a statement to the effect that there are no circumstances connected with his resignation which he considers should be brought to the notice of the Exchange and the Commission; or

(b) a statement of any such aforesaid circumstances;

(2) if, in his capacity, or in the performance of his functions, as the Professional Accountant of the Exchange Participant, the Professional Accountant acquires information tending to suggest, or the Professional Accountant is of the opinion, that the Exchange Participant has not complied, or may not be able to comply, with any relevant legislation, Rules or Regulations governing its

accounting system, financial affairs or operational system, then the Professional Accountant shall thereby be authorised and required:-

- (a) to communicate such information or opinion to the Exchange and the Commission regardless of whether he has been requested by the Exchange or the Commission to do so; and
  - (b) should the Professional Accountant consider it appropriate to do so, to communicate such information or opinion to any auditor of the Exchange Participant or any other auditor or Professional Accountant who has acted for the Exchange Participant for any period not earlier than 9 months before the date of appointment of the Professional Accountant appointed under Rule 534(a); and
- (3) in the event of the Professional Accountant complying in good faith with the requirements of this Rule, he shall be deemed not to be in breach of any duty which he might otherwise have, and shall not thereby incur any liability, to the Exchange Participant; and
- (ii) the Exchange Participant shall obtain written confirmation of acceptance of the terms and conditions of the appointment from the Professional Accountant.

#### Information Requests

535. Each Exchange Participant shall within the period specified in the demand or within such further period as may be approved by the Chief Executive or any other designated HKEX staff submit to the Chief Executive or any such other designated HKEX staff such statements and/or produce such books, records, accounts and documents as the Chief Executive or any such other designated HKEX staff may demand, including the books, accounts and telephone recordings required to be maintained in accordance with the SFC Code of Conduct.

#### Audits

536. (a) Designated HKEX staff and any other persons appointed by the Exchange for the purpose may from time to time inspect all of the books, records, accounts and documents maintained or required to be maintained by each Exchange Participant relating to its business and its financial position and that of its Clients, including the books, accounts and telephone recordings required to be maintained in accordance with the SFC Code of Conduct.
- (b) Such staff and other persons shall have the right of access during normal business hours, with or without prior notice, to the premises of an Exchange Participant, or the premises of associated companies of the Exchange Participant where such associated companies are in possession of relevant materials including the Exchange Participant's equipment used to participate in HKATS and all records stored therein and to such other relevant records of such Exchange Participant as may be required, and such Exchange Participant or associated companies as the case may be, shall fully co-operate and make available to them all information, books and records as and when required.
537. Designated HKEX staff and any other persons appointed by the Exchange for the purpose shall be entitled to interview and request confirmation from any Client, executing agent or other person dealing with an Exchange Participant, of any balance or any other matter relating to the compliance by the Exchange Participant with the Ordinance, these Rules, the Regulations or the Procedures.
538. (a) Each Exchange Participant, and where applicable any associated companies of an Exchange Participant, shall allow the designated HKEX staff and any other persons appointed by the Exchange for the purpose to make notes from any of the records of an Exchange Participant and each Exchange Participant is required to supply them, free of charge, copies of any or all documents which in their opinion are necessary to be given to the Exchange in order to facilitate any inspection of an Exchange Participant's books and records.
- (b) Any notes or copies taken pursuant to this Rule shall become the property of the Exchange.

#### Confidentiality

539. (a) All information in the possession of the Exchange and persons employed or engaged by the Exchange or HKEX relating to an Exchange Participant, associated companies of an Exchange Participant or Clients of an Exchange Participant shall be kept confidential by the Exchange and all other persons having access to the same, except that:-
- (i) those persons may disclose such information to their immediate senior officer of the Exchange or HKEX, the Chief Executive or

to the chief executive or chief operating officer of HKEX for the time being appointed or deemed to have been appointed in accordance with the Ordinance or, as the context may require, their designees;

- (ii) such information may be disclosed to any officer or employee of the Exchange or HKEX, and to any person engaged by the Exchange or HKEX, who in the opinion of the Chief Executive needs to know the information;
  - (iii) the Exchange may disclose any information at any time:-
    - (1) to the Clearing House;
    - (2) to the Commission;
    - (3) to any exchange, regulatory authority or any organization (whether within or outside Hong Kong) with whom HKEX or the Exchange has entered into an information sharing arrangement or agreement;
    - (4) to any recognized exchange controller; and/or
    - (5) to any company of which a recognized exchange controller which is the controller of the Exchange is a controller.
  - (iv) the Exchange shall disclose information in response to a request from the Commission or if it is ordered by a Court of competent jurisdiction so to do;
  - (v) (deleted)
  - (vi) the Exchange may disclose information to any body or person responsible for determining disciplinary matters pursuant to the Rules or to whom the Exchange may be required by Chapter VII of the Rules to disclose information; and
  - (vii) no breach of confidentiality shall arise by reason only that information shall appear in any registers and records maintained by the Exchange pursuant to these Rules.
- (b) For the avoidance of doubt, it is hereby stated that the surveillance functions of the Exchange and the Clearing House are merged, so that any and all information available to the Exchange or the Clearing House relating to an Exchange Participant's affairs will be regularly exchanged



and will be liable to disclosure in accordance with these Rules and/or the Clearing House Rules.

## CHAPTER VI

### EXCHANGE PARTICIPANTS AND THEIR CLIENTS

601. – 605. (deleted)

#### Disclosure of Information about Clients

606. (a) Upon the request of the Chief Executive or any designated HKEX staff, an Exchange Participant shall disclose (or where appropriate, cause its Clients to disclose) to the Chief Executive or such designated HKEX staff, all information regarding the identity of a Client whose account involves the trading of Exchange Contracts about which the Exchange Participant is required to be satisfied on reasonable grounds in accordance with the SFC Code of Conduct and the Client Identity Guidance Note, within such period as is specified in the Client Identity Guidance Note. Such information includes the identity, address and contact details of the person or entity (legal or otherwise) ultimately responsible for originating the instruction in relation to a transaction involving an Exchange Contract and of the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the transaction and/or bear its commercial or economic risk and the instruction given by that person or entity and such other information as the Chief Executive or any designated HKEX staff may request. Subject to the aforesaid, an Exchange Participant shall not disclose such information without the Client's permission.
- (b) If an Exchange Participant fails to comply with the disclosure requirement referred to in paragraph (a) of this Rule in respect of any Client, the Chief Executive may require the Exchange Participant to close out any or all the open contracts held by the Exchange Participant on behalf of the Client or request the Clearing House to effect such closing out on behalf of the Exchange Participant, or the Chief Executive may impose such margin surcharge on any or all the positions held by the Exchange Participant on behalf of the Client as the Chief Executive thinks fit.

607. - 612. (deleted)

#### Omnibus Accounts

613. (a) With regard to any Client which is an Omnibus Account operator, an Exchange Participant shall be required to obtain from such Client prior to conducting a transaction involving an Exchange Contract on its behalf the names and details of those persons who are ultimately beneficially interested in the Omnibus Account and those persons or entities who are ultimately responsible for originating the instruction in relation to the transaction, unless the Exchange Participant has a system in place

whereby it can, when requested by the Exchange or the Commission, either:

- (i) obtain from the Client the names, details and such other information as the Exchange or the Commission may require of those persons who are ultimately beneficially interested in the Omnibus Account and those persons or entities who are ultimately responsible for originating the instruction in relation to the transaction, and immediately disclose such information to the Exchange or the Commission; or
  - (ii) procure that the Client or those persons who are ultimately beneficially interested in the Omnibus Account or those persons or entities who are ultimately responsible for originating the instruction in relation to the transaction disclose such information to the Exchange or the Commission directly.
- (b) If an Exchange Participant fails to comply with the disclosure requirement referred to in paragraph (a) of this Rule in respect of any Client, the Chief Executive may require the Exchange Participant to close out any or all of the open contracts held by the Exchange Participant on behalf of the Client or request the Clearing House to effect such closing out on behalf of the Exchange Participant, or the Chief Executive may impose such margin surcharge on any or all of the positions held by the Exchange Participant on behalf of the Client as the Chief Executive thinks fit.

614. - 615. (deleted)

#### Exchange Participant's Contractual Requirements for Margin

616. Notwithstanding the levels of minimum margins stipulated according to Rule 617, an Exchange Participant may demand from a Client such higher level of margin as the Exchange Participant deems appropriate.

#### Exchange Participant's Contractual Requirements for Variation Adjustment

- 616A. (a) Notwithstanding the levels of variation adjustment demanded in accordance with the Clearing House Rules, an Exchange Participant may demand from a Client such higher level of variation adjustment as the Exchange Participant deems appropriate.
- (b) (deleted)
- (c) All variation adjustments must be paid in cash or by the lodgement of such non-cash collateral as may be approved by the Board from time to time. For these purposes a cheque received by an Exchange Participant in good faith which the Exchange Participant has no reason for

suspecting will not be honoured on first presentation may be treated as cash.

### Minimum Margins

617. (a) Except as provided in paragraph (b) of this Rule or for the purpose of closing out a Client's open positions or as the Exchange may from time to time prescribe, generally or otherwise, no Exchange Participant shall transact F.O. Business for any Client until and unless the Exchange Participant has received from that Client collateral adequate to cover that Client's minimum margin requirement.
- (b) Subject to procedures prescribed by the Exchange from time to time, in respect of an established Client who has demonstrated a record of consistently meeting margin obligations and maintaining a sound financial position ("established Client") and who has represented to the Exchange Participant that the funds necessary to fully satisfy his margin obligations will be immediately transmitted, the Exchange Participant may transact F.O. Business for the established Client even though the Exchange Participant has not received from him collateral adequate to cover his minimum margin requirement provided that:
- (i) if a new position is established on behalf of the established Client during the T Session on any Trading Day, the Exchange Participant must issue a call for the amount of minimum margin within that Trading Day; if a new position is established on behalf of the established Client during the T+1 Session on any Trading Day, the Exchange Participant must issue a call for the amount of minimum margin within the next Trading Day;
  - (ii) the Exchange Participant must advise the established Client that the minimum margin is due as soon as practicable after the call but in no event later than the next Trading Day following the T Session or T+1 Session during which the new position is established; and
  - (iii) the Exchange Participant shall not permit any Client to establish new positions if the Client has calls for minimum margin which are overdue for settlement.

Notwithstanding the foregoing, an Exchange Participant shall not transact a day trade (i.e. a position that is opened and closed out within the same T Session or within the same T+1 Session) on behalf of an established Client until and unless the Exchange Participant has received from the established Client collateral adequate to cover his minimum requirements if the established Client has a history of transacting day trades exclusively.

- (c) All margin requirements must be settled in cash or by the lodgement of approved debt securities, approved securities or such other non-cash collateral as may be approved by the Board from time to time. For these purposes, a cheque received by an Exchange Participant in good faith which the Exchange Participant has no reason for suspecting will not be honoured on first presentation may be treated as cash.
- (d) The Exchange shall from time to time stipulate the minimum amount of margin required to be collected by Exchange Participants in respect of Exchange Contracts executed for Clients and shall notify Exchange Participants of any changes to the minimum margin requirements in such manner as the Exchange thinks fit.
- (e) The Exchange may vary the minimum margin requirements of Clients from time to time either:-
  - (i) in relation to any category or group of Exchange Participants;
  - (ii) in relation to any particular Exchange Participant;
  - (iii) in relation to any type of F.O. Business; or
  - (iv) in relation to any Client or type of Client.
- (f) (deleted)

#### Determination of Variation Adjustment

- 617B. The Exchange shall from time to time stipulate in the applicable Regulations the manner for determining the variation adjustment required to be made in respect of Exchange Contracts.
618. (deleted)

#### Monitoring Margin Calls, Demands for Variation Adjustment and Physical Delivery Contracts Delivery Obligations

619. (a) Exchange Participants are obliged to monitor continuously their Clients' ability to meet any margin calls and demands for variation adjustment.
- (b) Each Exchange Participant shall forthwith notify the Chief Executive in the event any Client has failed to meet two or more successive margin calls or demands for variation adjustment which in aggregate exceed HK\$150,000. Such notification shall include details of the account number(s) and (where relevant) the number of Exchange Contracts in respect of which default has been made and the market(s) in which they were transacted.

- (c) The Chief Executive or any designated HKEX staff may require Exchange Participants to supply such further information in respect of accounts in respect of which default has occurred in the payment of margin or variation adjustment as he deems appropriate, including the name and Beneficial Identity of the relevant Client(s).
- (d) After the making of any notification pursuant to paragraph (b) of this Rule, the Exchange Participant shall submit to the Chief Executive or any designated HKEX staff details concerning any default by the Exchange Participant's Clients (including the details referred to in paragraph (b) of this Rule) on each Trading Day until the aggregate amount of default falls below the amount referred to in paragraph (b) of this Rule.
- (e) Exchange Participants are obliged to monitor continuously their Clients' ability to satisfy any delivery obligations in relation to a Physical Delivery Contract.

620. - 625. (deleted)

Accounts with Clearing House and Executing Agents

626. (a) Every Exchange Participant registered under the category of Futures Commission Merchant shall request the Clearing House or any executing agent to open a separate account in the Exchange Participant's name, designated as a "segregated", "client" or "non-house" account or some other similar title.
- (b) Every Exchange Participant registered under the category of Futures Commission Merchant shall ensure that all F.O. Business transacted by it on the instructions of a Client shall be booked through the account referred to in paragraph (a) of this Rule and that no F.O. Business transacted by that Exchange Participant for its own account shall be booked through such account.
- (c) Where an Exchange Participant instructs the same executing agent in respect of both HKFE Trade and Non-HKFE Trade, the Exchange Participant shall request the executing agent to open separate accounts designated as "segregated", "client", "non-house" or some other similar title and further designated as "HKFE Trade" or "Non-HKFE Trade" or some other similar title and the Exchange Participant shall ensure that HKFE Trade and Non-HKFE Trade are booked through the appropriate accounts of the executing agent and are accounted for separately.
- (d) In the event that the jurisdiction in which any executing agent of the Exchange Participant operates does not require the segregation of clients' monies from the assets of the dealer, the Exchange Participant shall inform those Clients with trades executed by the executing agent of such non-requirement.

- (e) For the avoidance of doubt it is declared that, notwithstanding the opening of an account referred to in paragraph (a) of this Rule, the Exchange Participant deals as principal and accordingly no trust or other equitable interest arises in respect of any money, approved debt securities, approved securities or other property paid to or deposited with the Clearing House.

### Commissions

627. An Exchange Participant shall charge a commission for all trades executed on or through the facilities of the Exchange (whether by itself or through its agent) in accordance with the rate or rates as the Exchange may from time to time prescribe.

### Monitoring Large Open Positions

628. (a) The Board shall from time to time specify the number of open contracts in a particular futures contract month or option series in a particular Market carried or held by Exchange Participants on behalf of any Client or for their own account which is to be regarded as a Large Open Position for the purpose of this Rule.
- (b) Every Exchange Participant shall make reports to the Chief Executive or any designated HKEX staff of its Large Open Positions in such form and with such frequency as may from time to time be prescribed by the Board.
- (c) The Chief Executive or any designated HKEX staff may require Exchange Participants to supply such information in respect of a Large Open Position report as he deems appropriate.

### Trading Limits and Position Limits

629. (a) Subject to paragraph (e) of this Rule, the Chief Executive may from time to time in his absolute discretion and during such period as he thinks fit:-
- (i) prescribe the maximum number or value of long or short Exchange Contracts in respect of any Market which any Exchange Participant is permitted to buy or sell in any Trading Day (whether on its own behalf or on behalf of a Client) in respect of any one futures contract month or option series, or in respect of any number of futures contract months or option series combined; and/or
  - (ii) prescribe the gross position and/or net long or net short position in any Market or any Markets combined which any Exchange Participant may hold or control (whether on its own behalf or on behalf of its Clients) in respect of any one futures contract month

or option series, or in respect of any number of futures contract months or option series combined.

- (b) Whenever the Chief Executive intends to impose any trading limit or position limit on any Exchange Participant pursuant to this Rule, he shall give prompt notice in writing of that intention to the Exchange Participant in question and to the Clearing House.
  - (c) Subject to paragraph (e) of this Rule, the Chief Executive may at any time increase, reduce or remove any trading limit or position limit imposed pursuant to this Rule by giving prompt notice in writing to the Clearing House and the Exchange Participant in question.
  - (d) The Chief Executive shall not be required to give any reasons for his decision to impose, increase, reduce or remove any trading limit or position limit pursuant to this Rule.
  - (e) Notwithstanding the above, any position limit from time to time imposed by the Chief Executive pursuant to this Rule shall not be less stringent than that prescribed by the Commission under section 35(1) of the Ordinance unless the Exchange Participant in question is, or is holding futures and/or options for, a person under section 4A of the Securities and Futures (Contracts Limits and Reportable Positions) Rules, in which case the Chief Executive may authorize the Exchange Participant to hold futures and/or options in excess of the limit prescribed by the Commission as the Chief Executive considers appropriate. Furthermore, an Exchange Participant may hold for itself or another person futures and/or options in excess of the position limit from time to time imposed by the Chief Executive or the Exchange if such Exchange Participant or person has been authorized by the Commission under subsection 4(3) of the Securities and Futures (Contracts Limits and Reportable Positions) Rules and the relevant Exchange Participant has notified the Exchange in writing of such authorization from the Commission.
630. (a) (1) Subject to paragraph (e) of this Rule, if the Chief Executive is of the opinion that positions are being accumulated in a Market or Markets by or on behalf of any person or persons and the accumulation is or may be detrimental to any Market or Markets or is or may be capable of adversely affecting the fair and orderly operation of any Market or Markets, or (2) if the designated HKEX staff has grounds to believe that any person has failed to comply with its Large Open Position reporting or position limit requirements in respect of any Market or Markets, he may in his absolute discretion and during such period as he thinks fit:-
- (i) prescribe the maximum number or value of long or short Exchange Contracts in respect of any Market which any Exchange Participant or Exchange Participants is/are permitted to buy or sell on behalf of such person or persons in any Trading



Day in respect of any one futures contract month, option series or in respect of any number of futures contract months or option series combined; and/or

- (ii) prescribe the gross position and/or net long or net short position in any Market or any Markets combined which any Exchange Participant or Exchange Participants may carry or hold on behalf of such person or persons in respect of any one futures contract month or option series, or in respect of any number of futures contract months or option series combined.
- (b) Whenever the Chief Executive or any designated HKEX staff intends to impose a trading limit or position limit pursuant to this Rule, he shall give prompt notice in writing of that intention to the Clearing House and the Exchange Participant or Exchange Participants in question.
- (c) Subject to paragraph (e) of this Rule, the Chief Executive may at any time increase, reduce or remove any trading limit or position limit imposed pursuant to this Rule by giving notice in writing to the Clearing House and the Exchange Participant or Exchange Participants in question.
- (d) The Chief Executive or any designated HKEX staff may require any Exchange Participant which holds or carries positions on behalf of a person or persons who is or are subject to any limits imposed pursuant to this Rule to report to the Chief Executive or any designated HKEX staff with such frequency as he deems appropriate.
- (e) Notwithstanding the above, any position limit from time to time imposed by the Chief Executive pursuant to this Rule shall not be less stringent than that prescribed by the Commission under section 35(1) of the Ordinance unless the person or persons in question is or are person(s) specified under section 4A of the Securities and Futures (Contracts Limits and Reportable Positions) Rules, in which case the Chief Executive may authorize him or them to hold or control futures and/or options in excess of the limit prescribed by the Commission as the Chief Executive considers appropriate. Furthermore, a person may hold or control futures and/or options in excess of the position limit from time to time imposed by the Chief Executive or the Exchange if he is authorized by the Commission under subsection 4(3) of the Securities and Futures (Contracts Limits and Reportable Positions) Rules and the relevant Exchange Participant has notified the Exchange in writing of such authorization from the Commission.

#### Exceeding Position Limits

631. (a) If an Exchange Participant exceeds any position limit imposed pursuant to Rule 629 or the Contract Specifications, the Chief Executive shall be entitled to require that Exchange Participant to close out or to effect the

transfer in accordance with the Clearing House Rules to another Exchange Participant of such number of open contracts as will in the opinion of the Chief Executive result in the Exchange Participant complying with the position limit.

- (b) If an Exchange Participant fails to comply with any requirement of the Chief Executive to close or transfer open positions pursuant to this Rule, the Chief Executive may close out or transfer such open positions on the Exchange Participant's behalf or may request the Clearing House to effect such closing out or transfer on the Exchange Participant's behalf. None of the Exchange, the Clearing House or a recognized exchange controller which is the controller of the Exchange shall be liable to the Exchange Participant for any loss suffered by the Exchange Participant in respect of such closing out or transfer. Such Exchange Participant shall indemnify and hold the Exchange, a recognized exchange controller which is the controller of the Exchange and/or the Clearing House harmless in respect of any costs or other expenses arising by reason of such closing out or transfer and shall indemnify the Clearing House in respect of any loss suffered by the Clearing House in respect of such closing out or transfer.
632. (a) If any person or persons exceed any position limit imposed by the Chief Executive pursuant to Rule 630, the Chief Executive may in his absolute discretion require one or more Exchange Participants to close out such excess open positions as will in the opinion of the Chief Executive result in the person or persons complying with the position limit.
- (b) If an Exchange Participant fails to comply with any requirement of the Chief Executive to close out open positions pursuant to this Rule, the Exchange may close out such open positions on the Exchange Participant's behalf or may request the Clearing House to effect such closing out on the Exchange Participant's behalf. None of the Exchange, the Clearing House or a recognized exchange controller which is the controller of the Exchange shall be liable for any loss suffered by the person or persons in respect of such closing out. Such Exchange Participant shall indemnify and hold the Exchange, a recognized exchange controller which is the controller of the Exchange and the Clearing House harmless in respect of any costs or other expenses arising by reason of such closing out and shall indemnify the Clearing House in respect of any loss suffered by the Clearing House in respect of such closing out.

#### Position Limits under the Contract Specifications

- 632A. (a) Without prejudice to the provisions of Rules 629 to 632, no person shall hold or control positions in any Exchange Contract that exceed the position limit prescribed from time to time in the relevant Contract

Specifications. Exchange Participants shall advise Clients of the position limits prescribed therein.

- (b) For the purpose of this Rule, the positions of all accounts under the direct or indirect common control or management of a person, and the positions of all accounts of a person or persons acting pursuant to an express or implied agreement or understanding, shall be subject to aggregation by the Exchange.
- (c) The Chief Executive, or his designee, shall require an Exchange Participant or Exchange Participants carrying an account or aggregated accounts in excess of the position limit to liquidate positions necessary to bring the account or aggregated accounts into compliance with the position limits. In the case of aggregated accounts in excess of the position limits that are carried by more than one Exchange Participant, the Chief Executive, or his designee, shall in his discretion require each affected Exchange Participant to close out as many positions as he may direct, to bring the aggregated accounts into compliance with the position limits. In exercising this discretion, the Chief Executive, or his designee, shall take into account the proportion of the aggregated accounts held by each Exchange Participant. The Chief Executive, or his designee, in directing the timing and procedure for any closing of positions pursuant to this Rule shall take into account the orderly operation of the markets.
- (d) Exchange Participants which knowingly contravene this Rule or which fail to comply with any directions provided under this Rule shall be liable to disciplinary proceedings.
- (e) Notwithstanding the above, an Exchange Participant or a Client or a person under section 4A of the Securities and Futures (Contracts Limits and Reportable Positions) Rules may apply to the Chief Executive to hold or control futures and/or options in excess of the position limit prescribed in the relevant Contract Specifications provided that if the application from the Exchange Participant or the Client or the person does not fall within section 4A of the Securities and Futures (Contracts Limits and Reportable Positions) Rules, the position limit authorized by the Chief Executive shall not exceed any limit prescribed by the Commission under section 35(1) of the Ordinance. Furthermore, a person may hold or control futures and/or options in excess of such prescribed position limit if it is authorized by the Commission under subsection 4(3) of the Securities and Futures (Contract Limits and Reportable Positions) Rules and has notified the Exchange in writing of such authorization from the Commission.

### Increasing a Position Limit

632B. Subject to Rules 629(e), 630(e) and 632A(e), an Exchange Participant or a Client or a person under section 4A of the Securities and Futures (Contracts Limits and Reportable Positions) Rules may request the Chief Executive to increase the position limit imposed. Where applicable, an Exchange Participant (if it is a Non-Clearing Participant) or a Client may also submit a request to increase the position limit imposed on behalf of the HKCC Participant which clears its trades together with its own request. Such requests shall be made in writing to the Chief Executive. The Exchange Participant or the Client or the person that made the request(s) may be required to justify the increase of position limit. The Chief Executive may in his absolute discretion grant or refuse the request. Approval from the Chief Executive must be received prior to entering into positions which exceed the position limit. In the event that approval to hold or control excess position limit is granted by the Chief Executive under section 4A of the Securities and Futures (Contracts Limits and Reportable Positions) Rules in respect of any Exchange Contracts, the Exchange Participant or the Client shall appoint only one HKCC Participant to hold its positions in such Exchange Contracts.

### Contract Limits and Reportable Positions Prescribed by the Commission under Section 35(1) of the Ordinance

633. (a) (deleted)
- (b) The Board may adopt procedures to assist Exchange Participants and their Clients (and the HKCC Participants which clear their trades if the Exchange Participants are Non-Clearing Participants and such HKCC Participants are not Exchange Participants) in complying with contract limits and reportable positions prescribed by the Commission under Section 35(1) of the Ordinance, including procedures for the acceptance from Clients of reports in relation to their reportable positions.
- (c) Exchange Participants shall inform their Clients of the reporting requirements and the responsibilities of reporting set out in these Rules, Regulations and Procedures and in the Securities and Futures (Contracts Limits and Reportable Positions) Rules and related guidance notes issued by the Commission.

## CHAPTER VII

### DISCIPLINARY MATTERS

#### Circumstances Giving Rise to Disciplinary Proceedings

701. Any Exchange Participant which:-

- (a) in any manner contravenes these Rules, the Regulations, the Procedures, any conditions stipulated in the notice of approval of its Exchange Participantship given pursuant to Rule 305 or in any approval given by the Exchange, the Ordinance, the Clearing House Rules or any other rules, regulations, code of conduct or procedures as may from time to time be prescribed by the Exchange, the Clearing House or a recognized exchange controller which is the controller of the Exchange;
- (b) has been notified to the Exchange by the Commission as having failed to comply with any requirements of the Ordinance;
- (c) is charged with or convicted of an offence relating to fraud or dishonesty or any act of bad faith;
- (d) is or has been guilty of any act or omission relating to F.O. Business which is likely to affect adversely the business reputation or other interests of the Exchange or a recognized exchange controller which is the controller of the Exchange or prejudice the interests of any person who trades or may trade on the Exchange;
- (e) fails to report a trade or knowingly makes or reports a false or fictitious trade;
- (f) makes a material mis-statement to the Board, the Chief Executive, the Disciplinary Committee, the Disciplinary Appeals Committee or any other committee of the Board, or to the Exchange, the Clearing House, a recognized exchange controller which is the controller of the Exchange or their respective officials;
- (g) knowingly disseminates false, misleading or inaccurate reports concerning market information or conditions that affect or tend to affect the price of any Exchange Contract or any commodity underlying an Exchange Contract;
- (h) trades or accepts margin after becoming insolvent or having reason to believe that it has become insolvent;

- (i) refuses to appear before the Disciplinary Committee, the Disciplinary Appeals Committee or any other committee of the Board duly constituted under these Rules to deal with disciplinary matters, at or during the course of any disciplinary investigation or proceedings;
- (j) refuses to answer fully questions or produce books, records or other documents as may be required at or during the course of any disciplinary investigation or proceedings, or testifies falsely;
- (k) induces or attempts to induce another person to enter into a Futures Contract or an Options Contract :-
  - (i) by dishonestly concealing any material fact;
  - (ii) by making or publishing or causing to be made or published whether recklessly, dishonestly or otherwise any statement, promise or forecast that is misleading, false or deceptive; or
  - (iii) by recording or storing in or by means of any mechanical electronic or other device information that it knows to be false or misleading in any material respect;
- (l) acts in a manner which is or may be detrimental to the interests or welfare of the Exchange or a recognized exchange controller which is the controller of the Exchange or prejudicial to the interests of any person who trades or may trade on the Exchange or the investing public;
- (m) causes or attempts to cause or induces any employee of the Exchange or any controller or subsidiary of the Exchange to contravene any term of that employee's service contract with the Exchange or its controller or subsidiary (as the case may be);
- (n) is disciplined by any other exchange;
- (o) is disciplined for any reason by the Clearing House;
- (p) fails to comply with a decision made under Rule 819B;
- (q) disrupts or interferes in any manner with the operations of HKATS or any equipment or software used in conjunction therewith or fails to maintain or operate such equipment or software as prescribed by the Rules, Regulations and Procedures as well as the provisions of the HKFE-HKATS Agreement;
- (r) (deleted)

- (s) fails to meet or comply with any disciplinary sanction or other requirement imposed on it;
- (t) in connection with any Designated Index Arbitrage Transaction conducted on HKATS acts in a manner which is detrimental to the Exchange;
- (u) in connection with any Stock Futures Hedging Transaction conducted on HKATS acts in a manner which is detrimental to the Exchange;
- (v) fails to provide information requested by an exchange, regulatory authority or an organization with whom HKEX or the Exchange has entered into an information sharing arrangement or agreement;
- (w) fails to give notice of termination of the agreement entered into under Rule 530(b),

and any Responsible Officer, who is responsible for causing any Exchange Participant to fall within any sub-paragraph of this Rule may be liable to disciplinary proceedings pursuant to the Rules set out in this Chapter.

#### Disciplinary Powers

702. (a) Any of the following disciplinary powers may be exercised against an Exchange Participant in respect of any matter which may be the subject of disciplinary proceedings:-
- (i) revocation of its Exchange Participantship;
  - (ii) suspension of its Exchange Participantship on such terms and for such period as the Exchange shall think fit;
  - (iii) issuance of a reprimand;
  - (iv) issuance of a public censure;
  - (v) imposition of a fine;
  - (vi) issuance of a warning including, as appropriate, a requirement that certain actions be taken within the period specified in the warning and specifying the sanction (including a fine, suspension or revocation) in the event that such actions are not taken within the specified period;
  - (vii) prohibition or restriction from having access to and/or using any or all of the Exchange's facilities, including the suspension, withdrawal or revocation of the right of an Exchange Participant's access to HKATS on such terms and for such period as the Exchange shall think fit;

- (viii) imposition of any other restriction or condition on the rights of an Exchange Participant or the manner in which an Exchange Participant may carry on its activities, functions and/or operations including for the avoidance of doubt any restriction or condition regarding the capacity in and extent to which any employee or director of an Exchange Participant may be involved in that Exchange Participant's activities, functions and/or operations;
  - (ix) imposition of any restriction, prohibition or requirement regarding the disposal or holding by an Exchange Participant of, or the dealing by an Exchange Participant with, any monies or assets of its Clients; and
  - (x) requirement for rectification or other remedial action or restitutionary measures to be taken within a stipulated period, including, if appropriate, the appointment of independent accountants, solicitors, consultants, or other professionals in connection therewith.
- (b) Any of the following disciplinary powers may be exercised against a Responsible Officer in respect of any matter which may be the subject of disciplinary proceedings:-
- (i) revocation of registration;
  - (ii) suspension of registration;
  - (iii) issuance of a reprimand;
  - (iv) imposition of a fine;
  - (v) issuance of a warning including, as appropriate, a requirement that certain actions be taken within the period specified in the warning and specifying the sanction in the event that such actions are not taken within the specified period; and
  - (vi) prohibition or restriction from having access to and/or using any or all of the Exchange's facilities.
- (c) Any of the disciplinary powers provided for in this Rule may be exercised without prejudice to the rights to exercise any of the other disciplinary powers or any other powers contained in these Rules.
- (d) For the purposes of the remaining Rules of this Chapter VII, references to "Exchange Participant" shall be read as references to "Exchange Participant, Responsible Officer (as the case may be)" except in the



case of any Rule where it is clear from its purpose and effect that it is only applicable to an Exchange Participant.

### Effect of Suspension

703. (a) An Exchange Participant whose Exchange Participants'hip or right to access HKATS is suspended for any reason:
- (i) shall remain liable for any payments, fees and charges owing or due by the Exchange Participant to the Exchange under these Rules, the Regulations, the Procedures as if the suspension had not occurred;
  - (ii) subject to Rule 703(a)(v) below, shall be prohibited from trading, either directly or indirectly, in any or all Markets, handling Client orders and transacting F.O. Business on behalf of a Client, except as may otherwise be permitted by the Exchange;
  - (iii) shall be barred from access to and/or using any or all of the Exchange's facilities, except as may otherwise be permitted by the Exchange;
  - (iv) shall remain liable for any agreement, transaction or arrangement in relation to any F/O Contracts held by the Exchange Participant before suspension;
  - (v) shall, in accordance with the directions of the Exchange, instruct and appoint another Exchange Participant to close out any open positions held by the Exchange Participant on its own account or on behalf of its Clients at the date of suspension or to effect the transfer to another Exchange Participant (subject to the approval of the Clearing House) of all open positions of any Client together with the money or security standing to the credit of that Client's account in respect of those open positions and shall notify the Exchange in writing of such appointment or transfer immediately; and
  - (vi) shall remain bound by these Rules, the Regulations and the Procedures while suspended.
- (b) Where an Exchange Participant is required by the Exchange pursuant to Rule 703(a)(v) to close out or transfer any open positions held by the Exchange Participant, the Exchange shall be entitled to close out or transfer, on behalf of the Exchange Participant, such open positions, or to request the Clearing House to close out or transfer such open positions on the Exchange Participant's behalf. Such Exchange Participant shall indemnify and hold the Exchange, a recognized exchange controller which is the controller of the Exchange and/or the

Clearing House harmless in respect of any costs or other expenses arising by reason of such closing out or transfer and shall indemnify the Clearing House in respect of any loss suffered by the Clearing House in respect of such closing out or transfer.

- (c) An Exchange Participant whose Exchange Participantship, right to access HKATS or other rights are suspended may at any time thereafter apply to the person or body which imposed the suspension for the lifting of such suspension by submitting to such person or body such information including any information as to the financial condition of the Exchange Participant as such person or body may require in order for it to be satisfied that it is proper in all the circumstances to lift the suspension. Such suspension may be lifted conditionally or unconditionally.

### Revocation

704. (a) Upon the liquidation of an Exchange Participant, its Exchange Participantship shall automatically cease and shall be deemed to have been revoked and, for the avoidance of doubt, its Exchange Participantship shall not:-
- (i) (deleted)
  - (ii) (deleted)
  - (iii) (deleted)
  - (iv) vest in the liquidator of the Exchange Participant.
- (b) In addition to any other grounds for revocation, the Board shall have the power to revoke any Exchange Participantship if, in the opinion of the Board, the Exchange Participant is not suitable to remain as an Exchange Participant.

### Effect of Revocation

705. (a) An Exchange Participant whose Exchange Participantship is revoked for any reason:-
- (i) shall remain liable for any payments, fees and charges owing or due by the Exchange Participant to the Exchange under these Rules, the Regulations and the Procedures as if the revocation had not occurred;
  - (ii) subject to Rule 705(a)(v), shall be prohibited from trading in any or all Markets, handling Client orders and transacting F.O. Business on behalf of a Client;

- (iii) shall be barred from having access to and/or using any or all of the Exchange's facilities, except as may otherwise be permitted by the Chief Executive;
  - (iv) shall remain liable for any agreement, transaction or arrangement in relation to any F/O Contracts held by the Exchange Participant before the date of revocation;
  - (v) shall be under a duty immediately and in accordance with the directions of the Exchange to instruct and appoint another Exchange Participant to close out the open positions held by the Exchange Participant on its own account or on behalf of its Clients at the date of revocation or to effect the transfer to another Exchange Participant (subject to the approval of the Clearing House) of all open positions of any Client together with the money or security standing to the credit of that Client's account in respect of those open positions and shall notify the Exchange in writing of such appointment or transfer immediately; and
  - (vi) shall remain bound by these Rules, the Regulations and the Procedures until such time as all F/O Contracts held by that Exchange Participant have been closed out or transferred.
- (b) The Exchange shall be entitled to close out or transfer, on behalf of an Exchange Participant whose Exchange Participantship has been revoked, open positions held by that Exchange Participant on its own account or on behalf of its Clients, or to request the Clearing House to close out or transfer such open positions on the Exchange Participant's behalf. Such Exchange Participant shall indemnify and hold the Exchange, a recognized exchange controller which is the controller of the Exchange and/or the Clearing House harmless in respect of any costs or other expenses arising by reason of such closing out or transfer and shall indemnify the Clearing House in respect of any loss suffered by the Clearing House in respect of such closing out or transfer.
- (c) (deleted)

#### Summary Action against an Exchange Participant

706. Notwithstanding any other provision of these Rules, the Exchange may by decision of the Chief Executive or his designee summarily suspend an Exchange Participant's Exchange Participantship, right to access HKATS or any other rights of the Exchange Participant or take any other summary action as the Chief Executive or his designee may think fit against the Exchange Participant upon the occurrence of any of the following events or if the Chief Executive or his designee has reason to believe that:

- (a) the Exchange Participant is or may be in such financial or operational difficulty that the Exchange Participant may not be permitted to continue to do business as an Exchange Participant with safety to Clients, other Exchange Participants, the Markets, the Exchange or the Clearing House;
- (b) such action is necessary to protect the interests of the Exchange, the Markets, a recognized exchange controller which is the controller of the Exchange or the Clearing House;
- (c) such action is necessary to ensure the orderly trading of the Markets and/or the operation of the Clearing House;
- (d) an Exchange Participant has made or proposed an arrangement or compromise with its creditors;
- (e) an Exchange Participant is unable to pay its debts as they fall due or commits an act of bankruptcy;
- (f) a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed or any other step is taken by any person for the winding-up, administration, re-organisation, reconstruction, amalgamation, dissolution or bankruptcy of the Exchange Participant or for the appointment of a provisional liquidator, liquidator, receiver, administrator, trustee or similar officer over all or any part of the Exchange Participant's business or assets;
- (g) a prohibition or requirement is imposed on the Exchange Participant by the Commission pursuant to section 204, 205 or 206 of the Ordinance;
- (h) the Exchange Participant which is also a participant of the Clearing House, HKSCC or SEOCH has failed to meet any of its obligations to the Clearing House, HKSCC or SEOCH;
- (i) an Exchange Participant has conducted itself in such a manner as to call for disciplinary action and an investigation is being conducted into the affairs of the Exchange Participant for this purpose; or
- (j) an Exchange Participant is in breach of any of the conditions (if any) in the grant of its Exchange Participantship or Futures Exchange Trading Right.

707. Subject to any decision on appeal made by the Disciplinary Appeals Committee pursuant to Rule 725(h), any decision made by the Chief Executive pursuant to Rule 706 shall be final and binding on the Exchange Participant.

### Disciplinary Action against an Exchange Participant

708. Subject to the provisions of Rule 706, allegations of Rule violations shall be adjudicated, and disciplinary powers herein shall be exercised, in accordance with the Rules set out in this Chapter VII and such other rules and procedures as may from time to time be prescribed by the Board.
709. If the Compliance Department is of the opinion that grounds exist for the exercise of disciplinary action against an Exchange Participant, the Compliance Department shall give notice (the "Notice") thereof to the Exchange Participant identifying the grounds upon which such opinion is based.
710. The Exchange Participant may, within such period as may be specified in the Notice, submit to the Exchange an explanation of its conduct in regard to the matter, together with any supporting documentary evidence.
711. If, having considered the submissions made by the Exchange Participant in response to the Notice, or in the absence of any such submissions from the Exchange Participant within the time specified in the Notice, the Compliance Department remains of the opinion that grounds exist for the exercise of disciplinary action, the Compliance Department shall:
- (a) prepare a Report specifying the matter(s) in respect of which the Compliance Department is of the opinion that disciplinary powers should be exercised against the Exchange Participant and the evidence upon which the Compliance Department will rely in presenting the case to the Chief Executive, the Designated Compliance Department Staff or the Disciplinary Committee (as the case may be); and
  - (b) determine whether the offence in question is a Non-serious Offence.

### Disciplinary Matters referred to the Designated Compliance Department Staff

712. If an offence is determined by the Compliance Department to be a Non-serious Offence, the Compliance Department shall refer the matter to the Designated Compliance Department Staff and shall serve on the Exchange Participant and the Designated Compliance Department Staff a copy of the Report referred to in Rule 711(a).
713. The Designated Compliance Department Staff may at any time request the production of such documents as the Designated Compliance Department Staff deems appropriate. Copies of all such documents produced shall be served on both the Compliance Department and the Exchange Participant.
714. Where the disciplinary matter is referred to the Designated Compliance Department Staff pursuant to Rule 712, the Designated Compliance Department Staff shall, on the basis of the Report and any other documents

which may be requested to be produced by the Designated Compliance Department Staff pursuant to Rule 713, adjudicate the matter(s) specified in the Report and, subject to Rule 715, impose such sanctions on the Exchange Participant as the Designated Compliance Department Staff may consider appropriate.

715. In respect of Non-serious Offences, the Designated Compliance Department Staff shall be entitled to exercise the disciplinary powers set out in Rules 702(a)(iii), (v), (vi), and 702(b)(iii), (iv), (v) provided that the Designated Compliance Department Staff shall not have any powers to impose on an Exchange Participant any fine which is in excess of HK\$25,000 for each Non-serious Offence or which is in excess of HK\$100,000 in aggregate if more than one Non-serious Offence is involved. Any offence which will or is likely to subject an Exchange Participant to a fine of more than HK\$25,000, or, if more than one offence is involved, any offences which in aggregate will or are likely to subject an Exchange Participant to a fine of more than HK\$100,000, shall be adjudicated by the Disciplinary Committee.
716. Subject to any decision on appeal made by the Chief Executive pursuant to Rule 725(h), any decision made by the Designated Compliance Department Staff pursuant to Rule 714 shall be final and binding on the Exchange Participant.

#### Disciplinary Matters referred to the Disciplinary Committee

717. If an offence is determined by the Compliance Department not to be a Non-serious Offence, the Compliance Department shall refer the matter to the Disciplinary Committee and shall serve on the Exchange Participant and the Disciplinary Committee a copy of the Report referred to in Rule 711(a).
718. Where the disciplinary matter is referred to the Disciplinary Committee pursuant to Rule 717, the Disciplinary Committee shall meet for the adjudication of the disciplinary matter, adjourn and otherwise regulate its meetings in accordance with following procedures, these Rules and such other rules and procedures as may from time to time be prescribed by the Board:
- (a) Upon receipt by the Exchange Participant of the Report, the Exchange Participant may, within such period as may be specified in the Report, make further submissions and provide further documentary evidence to the Disciplinary Committee in respect of the matter(s) specified in the Report. Copies of all such further submissions and documentary evidence shall be served on the Compliance Department.
  - (b) The Disciplinary Committee may at any time request the production of such documents as the Disciplinary Committee deems appropriate to any paper or oral hearing. Copies of all such documents produced shall be served on both the Compliance Department and the Exchange Participant.
  - (c) The Disciplinary Committee shall adjudicate the disciplinary matter on the basis of the Report, any further submissions or documentary

evidence provided pursuant to Rule 718(a), and any other documents which may be required by the Disciplinary Committee to be produced pursuant to Rule 718(b) (i.e., as a paper hearing) unless in the opinion of the Disciplinary Committee, it is inappropriate for the disciplinary matter to be adjudicated by way of a paper hearing. At any paper or oral hearing, a legal counsel of the Exchange may attend for the purpose of giving legal advice to the Disciplinary Committee.

- (d) If the Disciplinary Committee decides that it is inappropriate for a disciplinary matter to be adjudicated by way of a paper hearing, the Disciplinary Committee shall fix a date and time for an oral hearing and notify the Compliance Department and the Exchange Participant of the date and time of the hearing.
- (e) At any oral hearing, the Exchange Participant and any Compliance Department staff shall have the right to attend and make submissions. The Exchange Participant may be accompanied by its legal counsel at any oral hearing provided that notice of the intention of the Exchange Participant to be accompanied by its legal counsel is given to the Disciplinary Committee at least ten Business Days before the hearing date giving such details in relation to the legal counsel as the Disciplinary Committee may require, including his qualifications.
- (f) The Disciplinary Committee may at any time request the attendance of such persons as the Disciplinary Committee deems appropriate at any oral hearing.
- (g) If the Exchange Participant or any other person(s) requested by the Disciplinary Committee to attend an oral hearing fails to appear at the oral hearing, the Disciplinary Committee may, upon proof of service on the Exchange Participant or the other person of the notice of the hearing, proceed to hear and determine the proceedings in its/his absence.
- (h) Rules of evidence do not apply to the conduct by the Disciplinary Committee of any disciplinary hearing. The Disciplinary Committee may attach such weight as it thinks appropriate to any material produced to it, notwithstanding that such material may not be admissible in civil or criminal proceedings.
- (i) The Disciplinary Committee shall, on the basis of the Report, any further submissions or documentary evidence which may be provided by the Exchange Participant, any other documents which may be requested to be produced by the Disciplinary Committee and any evidence as may be given by any persons whom may be requested to attend an oral hearing by the Disciplinary Committee, adjudicate the matter(s) specified in the Report and impose such sanctions on the Exchange Participant as it considers appropriate provided that no member of the Disciplinary Committee shall participate in the

adjudication of the matter(s) if he has a personal or financial interest in the case or is materially interested in the outcome of the case.

- (j) The Disciplinary Committee shall submit its findings to the Exchange after any decision has been made, specifying any sanction to be imposed on the Exchange Participant. The Exchange shall as soon as practicable after receipt of the decision of the Disciplinary Committee notify the Exchange Participant in writing of the Disciplinary Committee's decision.
- (k) Subject to any decision on appeal made by the Disciplinary Appeals Committee pursuant to Rule 725(h), any decision made by the Disciplinary Committee shall be final and binding on the Exchange Participant.

#### Disciplinary Appeals Committee

- 719. Subject to the provisions of Rule 721, a Disciplinary Appeals Committee consisting of such non-executive Directors and/or other person(s) as the Board thinks fit shall be appointed by the Board from time to time to determine a particular disciplinary appeal or disciplinary appeals.
- 720. (deleted)
- 721. No individual shall be eligible to serve on a Disciplinary Appeals Committee if he has a personal or financial interest in the case, is materially interested in the outcome of the case or has been involved in any prior consideration or determination of the case.

#### Appeal Procedures

- 722. (a) The Disciplinary Appeals Committee shall be the appellate body in respect of any decisions made by the Chief Executive pursuant to Rule 706;
  - (b) the Chief Executive shall be the appellate body in respect of any decisions made by the Designated Compliance Department Staff pursuant to Rule 714; and
  - (c) the Disciplinary Appeals Committee shall be the appellate body in respect of any decisions made by the Disciplinary Committee pursuant to Rule 718(i).
723. An Exchange Participant may, by giving notice in writing to the Exchange within ten Business Days of service thereon of the written notice of any decision referred to in Rule 722, appeal to the Chief Executive (in the case of a decision made by the Designated Compliance Department Staff pursuant to



Rule 714) or the Disciplinary Appeals Committee (in the case of a decision made by the Chief Executive pursuant to Rule 706 or the Disciplinary Committee pursuant to Rule 718(i)) against that decision on grounds falling within one or more of the following categories only:

- (a) the Chief Executive, the Designated Compliance Department Staff or the Disciplinary Committee (as the case may be) materially misdirected or misconducted himself/itself contrary to the Rules so as to cause prejudice to the Exchange Participant;
- (b) the decision of the Chief Executive, the Designated Compliance Department Staff or the Disciplinary Committee (as the case may be) was wholly irrational;
- (c) the decision of the Chief Executive, the Designated Compliance Department Staff or the Disciplinary Committee (as the case may be) was based on a serious error of law or misinterpretation of the Rules; and
- (d) the penalty imposed on the Exchange Participant was manifestly excessive.

Such notice of appeal shall set out full details of the grounds of the appeal, including the reasons why the Exchange Participant considers that it was aggrieved by the decision being appealed against and the relief which the Exchange Participant is seeking.

724. The Chief Executive or the Disciplinary Appeals Committee (as the case may be) may refuse to entertain any appeal he or it deems to be frivolous or without merit.
725. Where a notice of appeal is given by an Exchange Participant to the Exchange pursuant to Rule 723, the Chief Executive or the Disciplinary Appeals Committee (as the case may be) shall consider the appeal, adjourn and otherwise regulate its meetings in accordance with the following procedures, these Rules and such other rules and regulations as may from time to time prescribed by the Board. For the purpose of this Rule 725, the Chief Executive or the Disciplinary Appeals Committee appointed shall be referred to as the “Relevant Appellate Body”.
- (a) An appeal hearing shall not be a full review of the matter. No new evidence shall be considered by the Relevant Appellate Body unless such evidence is introduced to substantiate whether any of the grounds referred to in Rule 723 upon which the appeal is based are meritorious.
  - (b) The Relevant Appellate Body shall consider the appeal as a paper hearing unless in the opinion of the Relevant Appellate Body, it is

inappropriate for the appeal to be considered by way of a paper hearing or unless the Exchange Participant requests that the appeal be considered by way of an oral hearing. At any paper or oral hearing, a legal counsel of the Exchange may attend for the purpose of giving legal advice to the Relevant Appellate Body.

- (c) If the Relevant Appellate Body decides that it is inappropriate for the appeal to be considered by way of a paper hearing or if the Exchange Participant requests an oral hearing, the Relevant Appellate Body shall fix a date and time for an oral hearing and notify the involved parties of the date and time of the hearing.
- (d) At any oral hearing, the Exchange Participant, the Compliance Department and the Chief Executive, the Designated Compliance Department Staff or any member of the Disciplinary Committee (as the case may be) shall have the right to attend and, subject to the restriction on the introduction of evidence referred to in Rule 725(a) above, make submissions concerning the grounds upon which the appeal is based. The Exchange Participant may be accompanied by its legal counsel at any oral hearing provided that notice of the intention of the Exchange Participant to be accompanied by its legal counsel is given to the Disciplinary Appeals Committee at least ten Business Days before the hearing date giving such details in relation to the legal counsel as the Disciplinary Appeals Committee may require, including his qualifications.
- (e) The Relevant Appellate Body may at any time request the attendance of such persons as the Relevant Appellate Body deems appropriate at any oral hearing.
- (f) If the Exchange Participant or any other person(s) requested by the Relevant Appellate Body to attend an oral hearing fails to appear at the oral hearing, the Relevant Appellate Body may, upon proof of service of the notice of the hearing, proceed to consider the appeal in its/his absence.
- (g) Rules of evidence do not apply to the conduct of any appeal hearing. The Relevant Appellate Body may attach such weight as it thinks appropriate to any material presented before it, notwithstanding that such material may not be admissible in civil or criminal proceedings.
- (h) The Relevant Appellate Body shall, on the basis of any evidence presented to it pursuant to Rule 725(a) above, and such submissions as may be given by any persons requested to attend an oral hearing by the Relevant Appellate Body pursuant to Rule 725(e) above, consider the appeal and exercise any of the powers set out in Rule 702 as it may consider appropriate under the circumstances.

- (i) The Relevant Appellate Body shall announce its decision to the Exchange dismissing or allowing the appeal, confirming, varying or revoking any decision made or sanctions imposed on the Exchange Participant by the Chief Executive, the Designated Compliance Department Staff or the Disciplinary Committee (as the case may be) or specifying such additional sanctions on the Exchange Participant as the Relevant Appellate Body shall consider appropriate. The Exchange shall as soon as practicable after receipt of the decision of the Relevant Appellate Body notify the Exchange Participant in writing of the Relevant Appellate Body's decision.
  - (j) The decision of the Relevant Appellate Body shall be conclusive and binding on the Exchange Participant.
726. Pending the outcome of any appeal to the Chief Executive or the Disciplinary Appeals Committee (as the case may be), the decision being appealed against shall remain in force and be valid and binding upon the Exchange Participant.

#### Co-operation

727. During the course of any disciplinary proceedings or appeals, the Exchange Participant concerned shall offer its fullest co-operation to the Chief Executive, the Compliance Department, the Designated Compliance Department Staff, the Disciplinary Committee, the Disciplinary Appeals Committee or any other committee or other body or person to whom the task of adjudication of any disciplinary matter or consideration of any appeal may be entrusted, and shall supply to them such information and documents in its possession or under its control as any of them may require.

#### Settlement

728. At any time prior to the issuance of a decision by the Disciplinary Committee, the Exchange Participant that is the subject of the disciplinary matter may submit an offer of settlement to the Compliance Department for its acceptance, subject to approval by the Disciplinary Committee of such offer. The Compliance Department may, but is not obliged to, submit any such offer to the Disciplinary Committee if it does not accept the terms of the offer. In the event that an offer of settlement is not submitted to the Disciplinary Committee or if it is not approved by the Disciplinary Committee, adjudication procedures shall proceed in accordance with these Rules.

#### Principles of Natural Justice

729. The Exchange shall have regard to the principles of natural justice in the application of these Rules.

### Liability of the Exchange

730. The Exchange, a recognized exchange controller which is the controller of the Exchange, their officers, directors, employees, agents or representatives or any other person or entity associated with them shall have no liability whatsoever for any losses, damages, claims, legal costs or other expenses that the Exchange Participant may suffer or incur, whether directly or indirectly (including any loss of profit or any damage to reputation) by reason of any disciplinary proceedings instituted or disciplinary measures taken pursuant to these Rules.

### Notice of Decisions

731. (a) Promptly after any summary action is taken or any decision is made in respect of any disciplinary proceedings instituted against an Exchange Participant or Responsible Officer notification of the summary action or decision and any sanctions imposed shall be sent to the Exchange Participant or Responsible Officer concerned. Where the party concerned is a Responsible Officer, a copy of the notice shall be sent to the Exchange Participant which currently employs such Responsible Officer. Except where the offence concerned is a Non-serious Offence, a copy of the notice shall also be sent by the Secretary to:
- (i) the Commission;
  - (ii) the Clearing House; and
  - (iii) any other person who, in the Chief Executive's opinion, should be sent a copy of such notice.
- (b) Where the Exchange Participantship, right to access HKATS or any other rights of an Exchange Participant are suspended, where any rights of a Responsible Officer are suspended or where the Exchange Participantship of an Exchange Participant or registration of a Responsible Officer is revoked, in addition to any other notice given by the Secretary pursuant to this Rule, notice thereof may be sent by the Secretary to all Exchange Participants in the manner specified by the Chief Executive from time to time, including by circulars or via electronic or computer data transmission to Exchange Participants. An Exchange Participant shall have no cause of action against the Chief Executive, the Secretary, a recognized exchange controller which is the controller of the Exchange, the Exchange or any other person associated with the Exchange in respect of any such notification.

### Transitional Provision

732. Notwithstanding

- (i) that Members are deemed to be or became Exchange Participants with effect from the Scheme Effective Date and the substitution of the terms “Member” in the Rules in force prior to the Effective Date by the terms “Exchange Participant” or “holder of a Futures Exchange Trading Right” in these Rules;
- (ii) the amendments that were made to these Rules with effect from the Scheme Effective Date; and
- (iii) that a Member has ceased to be an Exchange Participant, whether or not he or it continues to hold a Futures Exchange Trading Right,

all investigations, disciplinary proceedings and actions instigated against any person (including without limitation an Exchange Participant or holder of a Futures Exchange Trading Right which was a Member, prior to the Scheme Effective Date) in respect of any violation of the Rules or the Articles then prevailing (including those which may have been amended or repealed with effect from the Scheme Effective Date) may be instituted, continued, enforced and adjudicated in accordance with the procedures set forth in these Rules.

## **CHAPTER VIII**

### **TRADING ARRANGEMENTS - PRACTICES AND SYSTEMS**

#### **Regulations and Trading Limits**

801. The Board shall make Regulations governing trading in each of the Markets operated by the Exchange and, subject to such approvals as may be required under the Ordinance, such Regulations may be amended, supplemented, varied, modified or repealed, in whole or in part from time to time and new Regulations may be introduced by resolution of the Board.
802. Regulations may prescribe a range of permitted price fluctuations for each futures delivery month or option series. In the event that any such limit is reached, the Procedures applicable to the relevant Regulations shall be followed.

#### **Business Hours**

803. (deleted)
804. The trading hours of any Market shall be determined by the Board. The opening and closing of a Market and the establishment of the opening and closing quotation shall be conducted according to the procedures prescribed by the Board from time to time.
805. - 807. (deleted)

#### **General Conduct - HKATS**

- 807A. (a) HKATS is to be used exclusively for the execution of Exchange Contracts. HKATS may only be used in such manner and for such purposes as the Exchange may prescribe from time to time. Any unauthorised usage of HKATS is prohibited.
- (b) The Chief Executive may forbid any person (whether an Exchange Participant or not) from accessing or using HKATS and may suspend, revoke or limit such access or use, including but not limited to reducing the throughput rate of a connection to HKATS, for the purpose of ensuring the proper operation of the Markets operated thereunder. Any person who in the opinion of the Chief Executive is in breach of Rule 807A(a) may be prohibited from accessing or using HKATS or be allowed to access or use HKATS only on such terms, subject to such limits and for such period as the Chief Executive thinks fit.
- (c) Each Exchange Participant must at all times have arrangements in place to ensure that all orders transmitted to HKATS through its connection or any connection granted by the Exchange through the Exchange Participant are subject to Prescribed Risk Controls and other appropriate risk controls and functions.

### Place of Trading

808. Except as otherwise provided in the Rules, the Regulations, or the Procedures prescribed by the Board, all trading in Exchange Contracts must be confined to transactions made on or through the facilities of the Exchange during trading hours as the Exchange shall decide from time to time.

### No Trading Outside Hours

809. Except as otherwise provided in the Rules, the Regulations, or the Procedures prescribed by the Board, contracting to buy or sell Exchange Contracts prior to the opening or subsequent to the closing of the relevant Market is prohibited.

### Manner of Trading

810. Except as otherwise provided in the Rules, the Regulations, or the Procedures prescribed by the Board, all business relating to calls, bids, offers and the making of Exchange Contracts shall be conducted on HKATS or such other trading systems as the Board shall specify.

### Language of Trading

811. The language for transacting business in any Market shall be that as prescribed by the Exchange.

812. - 813. (deleted)

### Taking the Opposite Side of a Client Order

814. No Exchange Participant shall knowingly take the opposite side of an order of a Client given to it for execution unless all the following requirements are met:-

- (a) the Client has given prior consent in writing to such transactions; and
- (b) the trade has been bid, offered and reported in the manner laid down in the Procedures prescribed by the Board from time to time.

### Execution of Block Trades

815. Exchange Participants may execute orders as a Block Trade provided that they are executed in such manner and within such trading hours or other time, and satisfy the criteria laid down in Rule 815A and such other criteria, as may be prescribed by the Board and notified to Exchange Participants from time to time. Any Block Trade which is not so executed will not be considered as a valid trade by the Exchange and will not be registered or cleared by the Clearing House.

815A. An Exchange Participant must ensure that the following criteria are satisfied when conducting a Block Trade:

- (1) Block Trade Contracts

A Block Trade may be transacted only in Block Trade Contracts designated by the Board and notified to Exchange Participants from time to time.

(2) Minimum Volume Threshold

- (a) Subject to Rule 815A(2A), an Exchange Participant shall not execute any order as a Block Trade unless that order meets the applicable Minimum Volume Threshold set forth below and the Exchange Participant has received instructions or has been specifically authorized to execute the order as a Block Trade:

<b>Exchange Contract</b>	<b>Minimum Volume Threshold<sup>Note 3</sup> (no. of contracts)</b>
Stock Index Futures (unless otherwise specified in this table)	100
Hang Seng Index (HSI) Futures	
- first 4 Contract Months	100
- after the first 4 Contract Months	50
Hang Seng China Enterprises Index (HSCEI) Futures	
- first 4 Contract Months	100
- after the first 4 Contract Months	50
Hang Seng TECH Index Futures	50
Hang Seng TECH Index Futures Options	50
Hang Seng TECH Index Options	50
Weekly Hang Seng TECH Index Options	50
MSCI AC Asia ex Japan Net Total Return Index Futures	50
MSCI Australia Net Total Return (USD) Index Futures	25
MSCI China A 50 Connect (USD) Index Futures	25
MSCI China (USD) Index Futures	50
MSCI China Net Total Return (USD) Index Futures	25
MSCI Emerging Markets (USD) Index Futures	50
MSCI Emerging Markets Asia ex China Net Total Return (USD) Index Futures	25
MSCI Emerging Markets Asia ex Korea Net Total Return (USD)	25



Index Futures	
MSCI Emerging Markets Asia Net Total Return (USD) Index Futures	25
MSCI Emerging Markets EMEA Net Total Return (USD) Index Futures	25
MSCI Emerging Markets ex China Net Total Return (USD) Index Futures	25
MSCI Emerging Markets ex Korea Net Total Return (USD) Index Futures	25
MSCI Emerging Markets Latin America Net Total Return (USD) Index Futures	25
MSCI Emerging Markets Net Total Return (USD) Index Futures	25
MSCI Hong Kong Net Total Return (USD) Index Futures	25
MSCI India (USD) Index Futures	25
MSCI India Net Total Return (USD) Index Futures	25
MSCI Indonesia (USD) Index Futures	50
MSCI Indonesia Net Total Return (USD) Index Futures	25
MSCI Japan Net Total Return (USD) Index Futures	25
MSCI Malaysia (USD) Index Futures	50
MSCI Malaysia Net Total Return (USD) Index Futures	25
MSCI New Zealand Net Total Return (USD) Index Futures	25
MSCI Pacific ex Japan Net Total Return (USD) Index Futures	25
MSCI Pacific Net Total Return (USD) Index Futures	25
MSCI Philippines (USD) Index Futures	50
MSCI Philippines Net Total Return (USD) Index Futures	25
MSCI Singapore Free (SGD) Index Futures	50
MSCI Singapore Free Net Total Return (USD) Index Futures	25
MSCI Singapore Net Total Return (USD) Index Futures	25
MSCI Taiwan (USD) Index Futures	50

MSCI Taiwan (USD) Index Options	50
MSCI Taiwan Net Total Return (USD) Index Futures	25
MSCI Taiwan 25/50 (USD) Index Futures	50
MSCI Taiwan 25/50 Net Total Return (USD) Index Futures	25
MSCI Thailand (USD) Index Futures	50
MSCI Thailand Net Total Return (USD) Index Futures	25
MSCI Vietnam (USD) Index Futures	50
MSCI Vietnam Net Total Return (USD) Index Futures	25
Hang Seng Index (Gross Total Return Index) Futures	10
Hang Seng Index (Net Total Return Index) Futures	10
Hang Seng China Enterprises Index (Gross Total Return Index) Futures	30
Hang Seng China Enterprises Index (Net Total Return Index) Futures	30
Stock Index Options (unless otherwise specified in this table) <sup>Note 2</sup>	100
Hang Seng Index (HSI) Options <sup>Note 2</sup>	
- first 4 Contract Months	100
- after the first 4 Contract Months	50
Hang Seng China Enterprises Index (HSCEI) Options <sup>Note 2</sup>	
- first 4 Contract Months	100
- after the first 4 Contract Months	50
Hang Seng Index Futures (HSIF) Options <sup>Note 2</sup>	
- first 4 Contract Months	100
- after the first 4 Contract Months	50
Hang Seng China Enterprises Index Futures (HSCEIF) Options <sup>Note 2</sup>	
- first 4 Contract Months	100
- after the first 4 Contract Months	50
Stock Futures	100
Options on Stock Futures	100
HIBOR Futures (other than HIBOR strips)	80 <sup>Note 1</sup>

HIBOR strips	20
Five-Year MOF T-Bond Futures	50
EFN Futures	200
Currency Futures (other than Mini USD/CNH Futures)	50
Mini USD/CNH Futures	100
Currency Options	50
USD Gold Futures	30
CNH Gold Futures	30
USD Silver Futures	30
CNH Silver Futures	30
CNH London Aluminium Mini Futures	50
CNH London Zinc Mini Futures	50
CNH London Copper Mini Futures	50
CNH London Nickel Mini Futures	50
CNH London Tin Mini Futures	50
CNH London Lead Mini Futures	50
USD London Aluminium Mini Futures	50
USD London Zinc Mini Futures	50
USD London Copper Mini Futures	50
USD London Nickel Mini Futures	50
USD London Tin Mini Futures	50
USD London Lead Mini Futures	50
TSI Iron Ore Fines 62% Fe CFR China Futures	50

*Note 1 For a single order involving a spread or a strategy combination except HIBOR strips, at least one of the legs of the spread or strategy combination must meet the Minimum Volume Threshold.*

*Note 2 For any order of Stock Index Options Contracts, all legs of a spread or a strategy combination that relate to Flexible Options must meet the Minimum Volume Threshold.*

*Note 3 Notwithstanding the provisions of Rule 815A(2A), for the purposes of determining whether the Minimum Volume Threshold is satisfied, two separate orders belonging to the Exchange Participant or the same Client relating to the same contract month or option series that are executed at two different prices via two separate legs under a strategy combination Block Trade will be considered as having satisfied the Minimum Volume Threshold if the aggregate of the two orders meets the Minimum Volume Threshold.*

(2A) Block Trade Order Aggregation

An Exchange Participant cannot aggregate separate orders or combine separate orders to generate a spread or strategy combination Block Trade unless:

- (a) (deleted)
- (b) in the case of a Block Trade which involves Futures Contracts only, each separate order comprising the Block Trade satisfies the applicable Minimum Volume Threshold; and
- (c) in the case of a spread or strategy combination which involves Futures Contracts and/or Option Contracts, at least one of the separate orders comprising an option leg satisfies the applicable Minimum Volume Threshold; and
- (d) in the case of Stock Index Options Contracts, all legs of a spread or a strategy combination that relate to Flexible Options must meet the Minimum Volume Threshold, and
- (e) authorizations have been received by the Exchange Participant from Clients whose orders are being aggregated or combined.

(3) Block Trade Order Entry

- (a) Unless otherwise prescribed by the Exchange, a Block Trade must be executed immediately on HKATS via the Block Trade Facility in one of the following ways:

- (i) A Block Trade order entry by one Exchange Participant

A Block Trade which is negotiated internally between accounts of an Exchange Participant or negotiated between two Exchange Participants may be entered into HKATS by one Exchange Participant. When two Exchange Participants are involved, either one of the Exchange Participants shall be responsible for transferring to the other Exchange Participant its positions by way of trade adjustment in accordance with the Clearing House Rules, which require the transferring Exchange Participant or where applicable, its General Clearing Participant to inform the Clearing House of the trade adjustment request as soon as it has been confirmed by the receiving Exchange Participant or where applicable, its General Clearing Participant on DCASS.

- (ii) A Block Trade order entry by two Exchange Participants

A Block Trade which is negotiated between two Exchange Participants may be separately entered into HKATS by the respective buying and selling Exchange Participants. The time difference between the input of one side of a Block Trade and the

input of the other side of the Block Trade must be within the prescribed time period as set forth in the HKATS User's Guide. Any Block Trade order entered into HKATS but not matched within the prescribed time period will be cancelled automatically.

- (b) Where a Block Trade involves a spread or strategy combination, each leg must be entered into the Block Trade Facility with such reference information and in such manner as may be specified by the Exchange from time to time.
- (c) Notwithstanding paragraph (a) of this Rule 815A(3) or any other provisions of Rule 815A, if an Exchange Participant is unable to enter orders for Block Trades negotiated during a trading session into HKATS in that trading session due to the suspension of trading in any Market, any failure, error, defect in, or unavailability of, HKATS or any other contingencies, or if any such contingencies render it necessary for an Exchange Participant to negotiate and enter into Block Trades for the purpose of mitigating its risks arising from such contingencies and not any other purpose, the Chief Executive may by notice to Exchange Participants allow Exchange Participants to enter orders for such Block Trades into HKATS in the next available trading session or during such other time as the Chief Executive may determine, and may relax any of the Block Trade criteria, including but not limited to the lowering of the applicable Minimum Volume Thresholds, the expansion of the price parameters within which a Block Trade must be executed and the use of such other reference price as may be determined by the Chief Executive for determining the price parameters.
- (4) (deleted)
- (5) Execution Price

The price at which a Block Trade is executed must be fair and reasonable. Price parameters and factors which may be taken into consideration when determining whether a price is fair and reasonable will be prescribed by the Board and notified to Exchange Participants from time to time. At all times, the Board has the absolute discretion to accept or reject an executed price for a Block Trade, and that determination shall be final and conclusive.

A Special Block Trade Margin may be required from an Exchange Participant if the executed price of a Block Trade is not considered fair and reasonable, if a significant deviation exists between the executed price and the prevailing market price or the theoretical price determined by the Clearing House, or if the Block Trade is executed at such a price that an intra-day variation adjustment would have been triggered had the trade been executed or as if it has been executed as a normal trade in the Central Orderbook.

The price at which a Block Trade is executed will not be used in establishing the day-high, day-low, last traded price, Closing Quotation, and where applicable, the Final Settlement Price or Official Settlement Price of an Exchange Contract. The quantity of a Block Trade will be taken into account in the updating of the traded volume of an Exchange Contract.

- 815B. Each Exchange Participant shall have in place a telephone recording system or an electronic communication system to record all Block Trade orders received and all confirmations of executed Block Trades provided. Each Exchange Participant shall ensure that such telephone recordings or records are maintained for at least 6 months.
- 815C. Without prejudice to the powers of the Board to prescribe additional Block Trade criteria under Rule 815, if the Chief Executive is of the opinion that any of the prescribed criteria are not properly followed by an Exchange Participant, including any improper aggregation of orders, or there are any other improper acts or practices in connection with any execution of Block Trades by the Exchange Participant, the Chief Executive may by notice to the Exchange Participant prohibit the Exchange Participant from using the Block Trade Facility or impose such restrictions or additional criteria as he may consider appropriate on its use. Any Block Trade which is executed in breach of such notice will not be considered as a valid trade by the Exchange and will not be registered or cleared by the Clearing House.
- 815D. All orders of Stock Index Options Contracts that are Flexible Options must be entered into HKATS through the Block Trade Facility. With the exception of those falling into a specified price or price ranges set forth in Rule 815 A(5), all orders must be executed in the prescribed manner and meet the criteria laid down in Rule 815A and such other criteria as may be prescribed by the Board and notified to Exchange Participants from time to time.

816. (deleted)

#### No Disclosure of Orders

817. No disclosure shall be made other than to designated HKEX staff or the Commission, if so required, of any orders to buy or to sell in hand and pending for execution. The giving of information for the purposes of quoting a bid or offer shall not be considered a violation of this Rule.

#### Prohibition of Pre-Arranged Trades

818. An Exchange Participant shall not execute any trade or participate in any trade through HKATS which has been pre-arranged. Notwithstanding the foregoing, an Exchange Participant may execute a Block Trade provided that it is executed in the manner and satisfies the criteria laid down in the Rules and Procedures prescribed by the Board from time to time.

819. - 819A. (deleted)

## Error Trades

819B. If a trade takes place on HKATS at a level which deviates from the price parameters from time to time established by the Exchange and notified to Exchange Participants (the “Price Parameters”), the Exchange will entertain any claim from an original party to the trade that the price was in error. Unless such claim forms part of a claim for Large-Scale Error Trades (having the meaning assigned to it in Rule 819BA), it shall be entertained only in accordance with the following procedures:

- (a) Any claim that a trade took place at a level which deviated from the Price Parameters, and was an error (“Error Trade”), shall be brought to the attention of the Exchange by any original party to the trade no later than ten minutes after the time of the trade or, if the trade is a Tailor-Made Combination trade, no later than thirty minutes after the time of the trade in such manner and form as may be prescribed by the Exchange from time to time. Upon receipt of such notification, the Exchange shall immediately broadcast an alert on HKATS that the trade is claimed to be an error and may be subject to cancellation.
- (b) If the parties to the Error Trade consent within 10 minutes after the alert is broadcast, and if no objection from any other Exchange Participant is brought to the attention of the Exchange within 10 minutes after the alert is broadcast, the trade will be cancelled in accordance with paragraph (f) of this Rule.
- (c) If within 10 minutes after the alert is broadcast, the parties to the Error Trade do not consent to its cancellation, or if an objection from any other Exchange Participant is brought to the attention of the Exchange, or if not all the parties to the Error Trade can be contacted, a special HKATS Error Trade Review Panel (“Panel”) shall be convened immediately. The Panel shall review relevant information and decide within 10 minutes after it is convened (unless this is impractical) whether or not the claimed Error Trade shall be cancelled in accordance with paragraph (f) of this Rule. Any such decision shall be binding on all parties to the Error Trade and shall be broadcast on HKATS as soon as it is made.
- (d) The Panel shall consist of such members of HKEX’s staff, selected by the Chief Executive, from a list approved by the Chief Executive from time to time. The Panel, in reaching its decision, may consider all relevant facts, including market conditions before, during, and after the transaction occurred; and whether one or more parties to a multiple counterparty trade believe the trade is valid.
- (e) There shall be no appeal from the Panel’s decision for any reason.
- (f) Within 30 minutes after any mutual consent to the cancellation of an Error Trade pursuant to paragraph (b) of this Rule, or any decision by the Panel that an Error Trade should be cancelled pursuant to paragraph (c) of this Rule, each

party to the Error Trade shall complete and submit to the Exchange by facsimile or by hand a form prescribed by the Exchange from time to time in respect of the cancellation. If the Exchange does not receive the relevant form within the 30 minute time period, the Exchange and Clearing House shall be deemed to have been authorized by each party to the Error Trade to effect the cancellation on its behalf. HKEX, the Clearing House and the Exchange shall not be liable to any person in any way whatsoever in consequence of taking any such action.

- (g) Within the next Trading Day of the T Session or T+1 Session during which any correction of Error Trade took place, the party initially requesting the correction shall submit to the Exchange a report setting out a detailed account of (i) the Error Trade committed; (ii) the reason for the Error Trade; and (iii) the measures that the party has implemented or will implement in order to prevent the occurrence of similar Error Trades in the future.
- (h) For the avoidance of doubt, no trade that takes place at a level within the Price Parameters, or is reported to the Exchange later than the time specified in Rule 819B(a), is subject to these cancellation provisions.
- (i) For each Error Trade claim initiated by an Exchange Participant pursuant to this Rule 819B, the Exchange Participant shall pay to the Exchange upon demand a fee of HK\$3,000 per trade.

#### Large-Scale Error Trades

819BA. If the Error Trades claimed by an Exchange Participant are of such magnitude or complexity that any claim in respect of such Error Trades may have to be handled in accordance with this Rule 819BA (“Large-Scale Error Trades”), the Exchange will broadcast an alert on HKATS as soon as practicable that such trades may be subject to a Large-Scale Error Trade claim. If the Exchange in its absolute opinion determines, taking into consideration relevant factors such as the number of trades, counterparties, futures contract months and option series involved, that the claim should be handled as a Large-Scale Error Trade claim, the Exchange will entertain such claim in accordance with the following procedures:

- (a) The Exchange will broadcast an alert on HKATS as soon as practicable that such trades are the subject of a Large-Scale Error Trade claim and such trades and other related trades may be subject to cancellation.
- (b) The Exchange will evaluate the trades in question and other related trades (whether the Exchange Participant which has initiated the relevant claims is a party to the trades or not) using the Large-Scale Error Trade notation prices and the price parameters applicable to Large-Scale Error Trades (the “Large-Scale Error Trade Price Parameters”), both as prescribed by the Exchange and notified to Exchange Participants from time to time.
- (c) Unless otherwise determined by the Exchange at its sole discretion, all trades which took place on HKATS at a level which deviated from the Large-Scale



Error Trade Price Parameters and within such time period as may be determined by the Exchange shall be cancelled (whether the trades have been claimed as Error Trades by an Exchange Participant or not) and an alert on the trades to be cancelled shall be broadcast on HKATS. Notwithstanding Rule 108, any such decision shall be binding on the parties to these trades and the parties to these trades shall not be entitled to object to their cancellation or appeal against the Exchange's decision for any reason. HKEX, the Clearing House and the Exchange shall not be liable to any person in any way whatsoever in consequence of taking any such action.

- (d) Within the next Trading Day of the T Session or T+1 Session during which any Large-Scale Error Trade took place, the party initiating the Error Trade claims shall submit to the Exchange a report setting out a detailed account of (i) the Error Trades committed; (ii) the reason for the Error Trades; and (iii) the measures that the party has implemented or will implement in order to prevent the occurrence of similar Error Trades in the future.
- (e) For the handling of Large-Scale Error Trades pursuant to this Rule 819BA, the Exchange Participant which has initiated the relevant claims shall pay to the Exchange upon demand a fee of HK\$3,000 per trade.

819BB. In the event that the Exchange determines under Rule 819BA that a claim should not be handled as a Large-Scale Error Trade claim, the Exchange will broadcast a further alert on HKATS that the claim will not be handled as a Large-Scale Error Trade claim, and the procedures under Rules 819B(b) to (i) shall apply instead (except that the alert referred to in Rules 819B(b) and 819B(c) shall be deemed to be the alert broadcast under this Rule 819BB).

#### Erroneous Trades

- 819C. (a) If an Exchange Participant fails to execute a Client's order by any omission on its part or erroneously executes a Client's order such that the resulting trade differs in quantity, contract month or position (e.g. buy instead of sell) from that specified by the Client and the omission or erroneous trade is not detected until after the close of the relevant Market or immediately prior to the close of the relevant Market such that it is not possible to rectify the omission or error in the relevant Market, the Exchange Participant may assume the omitted or erroneous position into its House account by submitting to the Exchange the form prescribed from time to time by the Exchange as soon as possible after the close of the relevant Market, but not later than one hour after the close of the relevant Market, provided that the omitted order or erroneous trade relates to an Exchange Contract which has been designated by the Exchange as an Exchange Contract to which this Rule 819C applies.
- (b) Exchange Participants shall provide to the Exchange such information and documents as it shall require or deem necessary to substantiate the use of this procedure and shall comply with such other procedures as may from time to time be prescribed by the Exchange relating to omitted orders and erroneous trades.

- (c) If a Client suffers loss as a result of orders omitted or erroneously executed by an Exchange Participant, the loss shall be made good by the Exchange Participant.

#### Deletion of Block Trades

819D. If an Exchange Participant has been notified by the Exchange or the Clearing House that a Block Trade executed by the Exchange Participant on HKATS is not valid or has not satisfied all the criteria applicable to the Block Trade or the Block Trade will not be registered with or cleared by the Clearing House for any reason, or if the Exchange Participant fails to deposit any Special Block Trade Margin required by the Clearing House by the stipulated time, the Exchange in conjunction with the Clearing House will, without being required to give further notice to the Exchange Participant, delete the Block Trade from HKATS and DCASS as if the Block Trade had never been executed.

#### Trading Infractions

820. The following shall constitute trading infractions and any Exchange Participant or any of its Authorized Person committing any such infraction shall be subject to disciplinary proceedings (in the case of an Authorized Person, its Exchange Participant) as provided in these Rules. Trading infractions comprise:-

- (a) a bid or offer out of line with those in the Market;
- (b) a bid or offer which tends to confuse other Exchange Participants; and
- (c) (deleted)
- (d) failure to confirm a transaction.
- (e) (deleted)

#### Trading Systems

821. Trading in a Market may be conducted via HKATS or such other trading systems as the Board shall prescribe in respect of each Market.

822. – 824. (deleted)

#### HKATS

825. Except as otherwise provided in these Rules, HKATS shall be governed by and operated in accordance with the Rules set out in Chapter XII hereof.

#### Self-match Prevention

825A. An Exchange Participant may apply for Self-match Prevention service for itself, its Clients or other persons by submitting to the Exchange such form and such supporting documents as it may prescribe from time to time. An SMP ID will be assigned by the Exchange for the Exchange Participant or each Client or other person approved by the

Exchange under the Exchange Participant's application. Any SMP ID so assigned may only be tagged to orders of the Exchange Participant, a Client or such other person approved by the Exchange, as the case may be, in accordance with such requirements as the Exchange may from time to time prescribe.

- 825B. An Exchange Participant acknowledges that orders tagged with an SMP ID entered into HKATS may be cancelled as part of the SMP. The Exchange shall in no case be liable for any failure or unavailability of, or error or defect in the functioning of the SMP.
- 825C. An SMP ID may be used by more than one Exchange Participant. An Exchange Participant must obtain approval from the Exchange for the use of the SMP and each SMP ID. To be approved to use the SMP and an SMP ID, an applicant Exchange Participant shall apply in writing to the Exchange and demonstrate initially and on a continuous basis to the satisfaction of the Exchange that it has implemented appropriate and effective measures and taken reasonable steps to ensure that the use of the SMP and each SMP ID is in compliance with the requirements as the Exchange may from time to time prescribe. The Exchange Participant shall be responsible and liable for the use of each SMP ID and shall notify the Exchange promptly where it becomes aware of any breach, infringement or non-compliance of these Rules or requirements as may be prescribed by the Exchange from time to time, or acts of or potential market misconduct whether by itself, its Clients or other persons.
- 825D. If the Chief Executive is of the opinion that any of the requirements related to the SMP are not properly followed by an Exchange Participant or any of its Clients or other persons approved under its SMP application, including any improper acts or practices in connection with their use of the SMP, the Chief Executive may by notice to the Exchange Participant, suspend or prohibit the Exchange Participant or any of its Clients or other persons from using the SMP by suspending or invalidating the relevant SMP ID or otherwise, or impose such additional requirement for the use as he may consider appropriate.
- 825E. Notwithstanding any other provisions contained in these Rules, if more than one Exchange Participant applies to the Exchange for SMP service for the same person, each Exchange Participant's identity and its approval to use the SMP ID for such person may be disclosed to the other Exchange Participant(s) as the Exchange considers appropriate.

#### Volatility Control Mechanism

826. (1) The Exchange may impose a VCM on selected Exchange Contracts. Unless otherwise determined by the Exchange, the operation of the VCM in relation to a VCM Exchange Contract involves a VCM monitoring period as set out in Rule 827(1) during which a cooling-off period may be triggered pursuant to Rule 827(3).
- (2) The Exchange may prescribe from time to time in its absolute discretion a list of VCM Exchange Contracts which are subject to the VCM and may from time to time amend such list by adding to or removing from the list any VCM Exchange Contracts.

827. (1) VCM Exchange Contract Orders in respect of each VCM Exchange Contract shall be subject to VCM monitoring during such trading session or sessions of the VCM Exchange Contract as may be prescribed by the Exchange, with the exception of the period or periods specified by the Exchange from time to time.
- (2) For the purposes of Rules 827 and 828, unless otherwise determined by the Exchange –
- (a) the upper price limit means the price which is the VCM percentage above the VCM reference price; and
- (b) the lower price limit means the price which is the VCM percentage below the VCM reference price.
- (3) Subject to Rule 828(1), during the VCM monitoring period, a cooling-off period will be triggered in respect of a VCM Exchange Contract if any VCM Exchange Contract Order entered into HKATS or any remaining unmatched part of such VCM Exchange Contract Order would, if matched, result in a traded price in that VCM Exchange Contract which is -
- (a) higher than the upper price limit; or
- (b) lower than the lower price limit.
828. (1) The maximum number of times that a cooling-off period may be triggered during the VCM monitoring period of a VCM Exchange Contract and the duration of such cooling-off period shall be prescribed by the Exchange from time to time.
- (2) A cooling-off period shall commence immediately upon being triggered and shall last until whichever is the earlier of (a) the end of the prescribed duration; or (b) the end of the morning trading session or afternoon trading session, as the case may be. Where applicable, normal trading of the relevant VCM Exchange Contract will resume at the end of the cooling-off period.
- (3) On the commencement of the cooling-off period, unless otherwise determined by the Exchange,
- (a) the whole of the VCM Exchange Contract Order or the whole of such remaining unmatched part of any VCM Exchange Contract Order which triggered the cooling-off period will be rejected or cancelled, as the case may be, and will not be matched; and
- (b) (i) where the cooling-off period is triggered pursuant to Rule 827(3)(a), all buy VCM Exchange Contract Orders, including the remaining unmatched part of any buy VCM Exchange Contract Orders, for the relevant VCM Exchange Contract on any buying queues with a price higher than the upper price limit will be cancelled automatically; or

- (ii) where the cooling-off period is triggered pursuant to Rule 827(3)(b), all sell VCM Exchange Contract Orders, including the remaining unmatched part of any sell VCM Exchange Contract Orders, for the relevant VCM Exchange Contract on any selling queues with a price lower than the lower price limit will be cancelled automatically.
- (4) Unless otherwise determined by the Exchange, during the cooling-off period,
  - (a) the price of any buy VCM Exchange Contract Orders shall not be higher than the upper price limit; and
  - (b) the price of any sell VCM Exchange Contract Orders shall not be lower than the lower price limit.

### Trading Halt Mechanism

829. (1) Notwithstanding Rule 901, the Exchange may impose a THM on selected Exchange Contracts during the T+1 Session. Unless otherwise determined by the Exchange, the operation of the THM in relation to a THM Exchange Contract involves a suspension of trading in the THM Exchange Contract upon the occurrence of a trading halt triggering event as set out in Rule 829(4).
- (2) The Exchange may from time to time in its absolute discretion prescribe a list of THM Exchange Contracts which are subject to the THM and amend such list by adding to or removing from the list any THM Exchange Contracts. The Exchange will designate a THM Reference Contract for each THM Exchange Contract and may from time to time change any THM Reference Contract.
  - (3) For the purposes of Rule 829(4), unless otherwise determined by the Exchange,
    - (a) the upper price limit means the price which is the THM percentage above the THM reference price; and
    - (b) the lower price limit means the price which is the THM percentage below the THM reference price.
  - (4) During the T+1 Session, a trading halt will be triggered in respect of a THM Exchange Contract if,
    - (a) the price of a THM Reference Contract Order which is the highest bid on the buying queues for the respective THM Reference Contract reaches the upper price limit; or
    - (b) the price of a THM Reference Contract Order which is the lowest ask on the selling queues for the respective THM Reference Contract reaches the lower price limit.
  - (5) A trading halt shall commence immediately upon being triggered and shall last until whichever is the earlier of (a) the end of the duration prescribed by the Exchange; or (b) the end of the T+1 Session.

- (6) During a trading halt in respect of a THM Exchange Contract, unless otherwise determined by the Exchange,
- (a) no order for the relevant THM Exchange Contract shall be input into HKATS;
  - (b) an order for the relevant THM Exchange Contract, including the remaining unmatched part of such order, may be cancelled or amended only in connection with a reduction in size, a change in the duration of validity, a modification of optional (“free”) text information or such other changes as may be permitted by the Exchange from time to time; and
  - (c) all orders for the relevant THM Exchange Contract on any buying or selling queues not cancelled in accordance with Rule 829(6)(b), including the remaining unmatched part of such orders, will remain in HKATS but will not be matched.

#### Holiday Trading Exchange Contracts

830. The Exchange may from time to time designate an Exchange Contract to be a Holiday Trading Exchange Contract and prescribe the public holidays on which such Holiday Trading Exchange Contract may be traded on or through the facilities of the Exchange. The Exchange may amend the list of Holiday Trading Exchange Contracts and the trading calendar for such Holiday Trading Exchange Contracts from time to time.
831. Notwithstanding any other provisions of these Rules or any approval granted to an Exchange Participant to trade in any Market, if an Exchange Contract is designated as a Holiday Trading Exchange Contract by the Exchange, an Exchange Participant must obtain approval from the Exchange in order to trade or continue to trade the Holiday Trading Exchange Contract. To be approved to trade or continue to trade Holiday Trading Exchange Contracts, an applicant Exchange Participant shall apply in writing to the Exchange and demonstrate initially and on a continuous basis to the satisfaction of the Exchange its ability to comply with the following requirements and such other requirements as may be prescribed by the Exchange from time to time:
- (a) be an HKCC Participant or have an agreement with an HKCC Participant registered with the Clearing House under the category “General Clearing Participant” for the clearing of trades in Holiday Trading Exchange Contracts of the Exchange Participant;
  - (b) have demonstrated and confirmed its system and operational readiness for the trading and, where applicable, the clearing of Holiday Trading Exchange Contracts;
  - (c) comply with the requirements of reporting its Large Open Positions in Holiday Trading Exchange Contracts in such form and with such frequency as may from time to time be prescribed by the Exchange and procure its Clients to comply with the contract limits and reporting requirements prescribed by the Commission under the Ordinance or otherwise for Holiday Trading Exchange Contracts.

## CHAPTER IX

### EMERGENCY AND EXTRAORDINARY SITUATIONS

901. (a) The Exchange shall be open on every Trading Day unless there is a suspension of trading in accordance with the following provisions of this Rule.
- (b) The Exchange may suspend trading in any Market if, but only if, (A) in its opinion, or (B) it is directed by the HKEX Board to do so as a result of the HKEX Board being of the opinion that:-
- (i) one or more of the events or the circumstances specified in sub-paragraph (c) of this Rule is imminent or threatened or has occurred or developed provided if the imminence or threat or occurrence or development of such event(s) is in respect of or affects HKEX only, HKFE may not suspend trading unless directed by the HKEX Board to do so; and
  - (ii) in consequence no orderly trading in that Market can take place or there is a serious risk of personal injury or death if trading were to be permitted to begin or continue.
- (c) The events or circumstances giving rise to the right to suspend trading in any Market are as follows:-
- (i) a state of war (whether declared or not) or a state of hostilities (whether in Hong Kong or elsewhere);
  - (ii) a riot, civil commotion, political disturbance, a labour dispute or strike, insurrection, revolution or a state of emergency in Hong Kong;
  - (iii) severe weather conditions, natural disaster or other Act of God in Hong Kong;
  - (iv) any other event or circumstances (such as fire, explosion, accident, flood, HKEX staff labour dispute or strike, disruption or breakdown of HKEX, Exchange or Clearing House equipment or utility supplies to HKEX, the Exchange or Clearing House) directly affecting HKEX, the Exchange or the Clearing House or the operation or availability of their respective facilities; and
  - (v) trading in the underlying cash market has been suspended.
- (d) For the avoidance of doubt, fluctuations in the price at which Exchange Contracts are trading in the Markets operated by the Exchange or at

which any commodity is trading in any other market shall not constitute circumstances affecting orderly trading for the purposes of this Rule.

- (e) Suspension of trading under this Rule may be directed by the HKEX Board or ordered by the Board or the Chief Executive. The Chief Executive may suspend trading under this Rule without prior reference to the Board if, but only if, in his opinion it is not possible for a meeting of the Board to be convened immediately. The Chief Executive may not otherwise suspend trading in any Market and whenever trading is suspended by the Chief Executive in accordance with this Rule, he shall arrange for a meeting of the Board to be held as soon as practicable after trading has been suspended.
  - (f) To the extent that circumstances permit, there shall be prior consultation with the Commission before any trading is suspended in accordance with this Rule.
  - (g) The duration of suspension shall in no circumstances be longer than absolutely necessary to enable the transaction of F.O. Business in an orderly manner to be resumed.
902. Notice of suspension of trading shall be given to Exchange Participants, the Clearing House and HKEX, and prior notice shall be given to the Commission or other appropriate regulatory body. The Exchange shall, if possible, give notice of suspension by means of facsimile, electronic message or via HKATS or DCASS or HKEX website or by such other means as the circumstances permit.
- 902A. (deleted)
903. If substantial fluctuations in any Market occur or if the Board or the Chief Executive determines that an excessive position or unwarranted speculation or any other undesirable situation or practice affecting or capable of affecting the market situation in a commodity is developing or has developed, the Board may, after consultation with the Clearing House and either jointly with the Clearing House or on its own take whatever measures are deemed necessary to rectify the situation (short of suspension of trading in any Market) and these measures may include, without prejudice to the generality of the foregoing, the variation of the specification of an Exchange Contract (but not so as to affect any open contracts) and/or deferment of the completion of such Exchange Contracts, a requirement to close out positions and a requirement restricting trading "for liquidation purposes only". To the extent that circumstances admit, there shall be prior consultation with the Commission before any measures are taken pursuant to this Rule.



**CHAPTER X**

**(deleted)**

**CHAPTER XI**

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## CHAPTER XIA

### MARKET MAKERS

#### Introduction

- 11A01. The Chief Executive may, on application by an Exchange Participant and in his absolute discretion, grant approval for the Exchange Participant to be a Market Maker in any Market(s) in order that such Exchange Participant may be eligible for Market Maker Incentives.
- 11A02. The Chief Executive may from time to time prescribe requirements, obligations, restrictions and conditions which must be complied with by Market Makers in order to receive Market Maker Incentives. In addition, the Procedures may provide for different categories of Market Makers and prescribe different requirements, obligations, restrictions, conditions and incentives for specific categories of Market Makers.

#### Application for Market Maker Permits

- 11A03. An Exchange Participant may apply to the Exchange for permission to make a market in a particular Market(s) by itself or by way of a market making arrangement, by lodging with the Chief Executive an application in such prescribed form and containing such information as may be required by the Chief Executive.
- 11A04. An Exchange Participant whose application has been approved will be granted a Market Maker permit in respect of each category of Market Maker and each Market for which it is permitted to make a market. In considering whether a Market Maker permit should be granted, the Chief Executive may give regard to such matters as he may, in his absolute discretion, consider to be appropriate and the Exchange Participant shall demonstrate to the satisfaction of the Chief Executive that it is suitably qualified to make a market for a particular category of Market Maker in the Market(s) in respect of which the application is made (having regard to such matters as the financial standing, trading record, personnel, computer equipment and internal security procedures and risk management policy and procedures of the Exchange Participant and, where applicable, whether its market making arrangements fulfill such requirements as may be prescribed by the Chief Executive).
- 11A05. The decision of the Chief Executive in respect of the approval or rejection in whole or in part of an application to become a Market Maker in any particular Market Maker category or any particular Market(s) shall be final and conclusive.

11A06. A register of Market Makers, containing the name of each Exchange Participant to whom a Market Maker permit has been granted, the category of Market Maker under which the Exchange Participant is registered, the commencement and expiry dates of each such permit and the Market in respect of which each such permit has been granted, will be maintained by the Exchange.

#### Form and Duration of Market Maker Permits

11A07. Market Maker permits shall be non-exclusive, non-transferable and in such form as may from time to time be prescribed by the Exchange.

11A08. Each Market Maker permit shall state a day on which it is to come into effect and the period for which it is granted for the Market specified. Unless otherwise stipulated by the Chief Executive, the minimum period for which each Market Maker permit will be granted will be one year and unless the Market Maker has notified the Exchange of its intention not to renew the Market Maker permit at least 30 days prior to expiry, the Market Maker permit will be automatically renewed from year to year on terms identical to those of the current Market Maker permit.

#### Ongoing Obligations of Market Makers

11A09. Each Market Maker shall immediately notify the Exchange in writing of any change in information supplied to the Exchange in its application for, or thereafter in connection with, any of its Market Maker permits, including any change in its market making arrangements.

11A10. Where a Market Maker has been granted a Market Maker permit under Rule 11A04 to make a market in a particular Market by itself and/or by way of a market making arrangement and the Market Maker wishes to enter into any new market making arrangement or, if it is not already doing so, make a market in the Market by itself, it shall lodge with the Chief Executive an application in such prescribed form and containing such information as may be required by the Chief Executive and shall demonstrate to the Exchange that it or its proposed market making arrangement meets such requirements as may be prescribed by the Chief Executive. The Chief Executive may in his absolute discretion approve or reject such application, having regard to such matters as he considers to be appropriate.

11A11. Each Market Maker shall be responsible for all market making activities conducted under its Market Maker permits, including the settlement and clearing of all trades executed under any of its market making arrangements. The corporate entity under any market making arrangement with the Market Maker shall be considered as a Client of the Market Maker for the purposes of the Rules, Regulations and Procedures and the Market Maker shall

comply with all obligations under the Rules, Regulations and Procedures in respect of such corporate entity being a Client of the Market Maker, including but not limited to the provisions of Chapter VI of these Rules.

- 11A12. Each Market Maker shall fulfill such market making requirements as may from time to time be prescribed by the Exchange in respect of each category of Market Maker and each Market for which the Market Maker has been granted a Market Maker permit. Unless otherwise determined by the Chief Executive, a Market Maker which in any calendar month fails to meet the market making requirements prescribed by the Exchange for determining its eligibility to Market Maker Incentives for certain transactions of the Market Maker in any specified Market(s) will not be entitled to such Market Maker Incentives for that month and the Market Maker shall be charged Exchange Fees at the full rate specified in the relevant Contract Specifications for such transactions.

#### Suspension or Modification of Market Making Requirements of Market Makers

- 11A13. In respect of a Market in which a Market Maker is registered as such, where the Chief Executive determines that an Unusual Market Condition has occurred in that Market or any other market which may adversely impact on the Market Maker's ability to effectively hedge its positions, the Chief Executive may, in his discretion temporarily suspend or modify some or all of the market making requirements of the Market Maker.
- 11A14. The Chief Executive may in his discretion determine when to declare an Unusual Market Condition and shall make an announcement on HKATS to that effect. An Unusual Market Condition shall exist until the Chief Executive determines otherwise.
- 11A15. Subsequent to declaring the existence of an Unusual Market Condition, the Chief Executive, upon being satisfied that the conditions giving rise to the original declaration of such Unusual Market Condition no longer exist, shall make an announcement on HKATS stating that fact and specifying the time at which the normal market making requirements of Market Makers shall resume.

#### Suspension, Revocation and Surrender

- 11A16. Any Market Maker permit and any market making arrangement or other approval granted thereunder may be revoked by the Chief Executive in his absolute discretion at any time without giving reason or notice. Without prejudice to this general power of revocation, a Market Maker permit and any market making arrangement or other approval granted thereunder may be revoked if a Market Maker:-

- (a) fails to meet the applicable market making requirements prescribed by the Exchange for such period of time as may be specified by the Chief Executive;
- (b) has, in the opinion of the Chief Executive, manipulated or distorted the market for one or more Markets or attempted to do so or abused its status as a Market Maker;
- (c) commits an event of default under the Clearing House Rules or if its Exchange Participantship is suspended or revoked or if it ceases to be an Exchange Participant for any reason; or
- (d) no longer satisfies the criteria and requirements based on which, or the conditions subject to which the Market Maker permit or any market making arrangement or other approval thereunder was granted,

and the Market Maker shall remain subject to these Rules, Regulations and Procedures and the Clearing House Rules in respect of any events which occurred prior to and after the revocation.

- 11A17. A Market Maker may at any time surrender its Market Maker permit in respect of a particular category of Market Maker and each Market by giving to the Exchange 30 days' (or such shorter period of time as the Exchange may allow) prior written notice to that effect using such form as may be prescribed by the Exchange. Until the Exchange has confirmed with the Market Maker the effective date of surrender of the Market Maker permit, the Market Maker shall continue to fulfill its market making obligations under that Market Maker permit.
- 11A18. Upon suspension, expiry, revocation or surrender of a Market Maker permit or the termination for any reason of any market making arrangement or the revocation of any other approval granted thereunder, any authorisation to access HKATS previously granted to the Exchange Participant for the purpose of performing market making activities under the Market Maker permit or the market making arrangement may also be revoked by the Chief Executive.
- 11A19. The Chief Executive may, at his sole discretion, reject a new application for a Market Maker permit by any Exchange Participant which has previously surrendered, or has notified the Exchange of its intention not to renew, a Market Maker permit or which has had a Market Maker permit revoked or suspended.

## CHAPTER XII

### AUTOMATED TRADING SYSTEM

#### Introduction

1200. (a) The Exchange shall operate HKATS for such Market or Markets as the Exchange may specify from time to time and references to Exchange Contracts and Orders in this Chapter shall be correspondingly limited to Exchange Contracts which may be executed on and Orders which may be placed in respect of such Market or Markets.
- (b) For the avoidance of doubt, save where the context otherwise requires, all of the Rules, the Regulations and the Procedures shall apply to the operation of HKATS.
- (c) All transactions in F/O Contracts effected through HKATS shall be conducted in accordance with these Rules, the Regulations and the Procedures from time to time specified by the Exchange as well as other Procedures and requirements including those specified in the HKFE-HKATS Agreement and shall be binding upon the parties to such F/O Contracts.

#### General Provisions

1201. (a) Prior to the establishment of an electronic connection ("connection") of an Exchange Participant to HKATS, an HKFE-HKATS Agreement in a form prescribed by the Exchange from time to time shall be entered into.
- (b) Equipment and software which are required for connection to HKATS shall be specified by the Exchange from time to time.
- (c) The Exchange reserves the right to approve any equipment and software not specified by the Exchange in accordance with Rule 1201(b). In the event an Exchange Participant wishes to use any equipment and software other than that specified by the Exchange, the Exchange may require prior to connection that such equipment and software are thoroughly tested by the Exchange Participant and determined by the Exchange not to have any detrimental impact on the operation of HKATS.
- (d) The Exchange reserves the right to limit the number of connections per Exchange Participant.
- (e) The Exchange reserves the right immediately to disconnect a connection and prohibit any person (whether an Exchange Participant or not) from having access to HKATS, or to limit such person's access to or use of

HKATS, including but not limited to reducing the throughput rate of its connection, on such conditions as the Exchange thinks fit..

- (f) Exchange Participants shall install all applicable software specified by the Exchange in the latest version in force together with system program software in the latest version specified by the Exchange. Exchange Participants shall not alter, modify, reverse, change or copy programs supplied by the Exchange without the Exchange's prior written permission.
- (g) Exchange Participants shall grant the Exchange access for the inspection of equipment connected to or software installed on HKATS. Such inspections shall take place wherever practicable at an agreed time and in the presence of the Exchange Participant in question.
- (h) The cost for the requisite equipment supplied by the Exchange and the installation and maintenance thereof shall be borne by the Exchange Participant. The cost shall be debited as stated in the HKFE-HKATS Agreement.
- (i) Exchange Participants shall ensure that a technical contact person or a system contact person is available at the premises of the Exchange Participant or such other location as approved by the Exchange during the hours when such Markets operated through HKATS are open as well as one hour beforehand and one hour thereafter.
- (j) An Exchange Participant shall be liable for all orders and F/O Contracts arising from its connection or any connection granted by the Exchange through the Exchange Participant and recorded in the Central Orderbook and the Transaction Register respectively of HKATS or other consequences resulting from the use of such connection, regardless of whether or not such consequences resulted from the use of such connection by its Responsible Officers, Authorized Persons, Remote Access Clients of the Exchange Participant or any person who is allowed to have access to HKATS for performing market making activities.
- (k) An Exchange Participant shall follow such security procedures pertaining to the connection as are from time to time specified by the Exchange.
- (l) An Exchange Participant shall notify the Exchange immediately if it becomes aware of or if its trading activities are affected by any disruptions whether technical or otherwise.



- (m) The Exchange may from time to time prescribe procedures which may impose such requirements on Exchange Participants as to the operation of and access to HKATS as the Exchange may think fit.

#### General Terms regarding Exchange Activity

- 1202. The placing and revocation of Orders and trading activity generally in HKATS will occur anonymously amongst Exchange Participants. However, the identity of Exchange Participants may be disclosed at the absolute discretion of the Exchange where it is considered appropriate.

#### Access to and Trading through HKATS

- 1203. Except as otherwise authorised by the Exchange, all trading in Exchange Contracts through HKATS must be carried out via an Exchange Participant's connection.
- 1204. Except as otherwise authorised by the Exchange, an Exchange Participant shall only allow its Authorized Persons and Remote Access Clients to have access to HKATS.
- 1205. Except as otherwise authorised by the Exchange, an Exchange Participant shall ensure that only HKATS Participant Representatives whose registration is still in force may enter, amend and revoke orders or allocations.

#### Establishment of Prescribed Risk Controls in HKATS

- 1205A. Without prejudice to the right of the Exchange under Rule 1208B, an Exchange Participant shall establish, monitor and implement and if it is a Non-Clearing Participant, enable each HKCC Participant which clears its trades to establish, monitor and implement Prescribed Risk Controls using the HKATS Risk Functions for the Exchange Participant itself and its Authorized Persons, Remote Access Clients and any other person who is allowed to trade through HKATS via the Exchange Participant's connection or any connection granted by the Exchange through the Exchange Participant. An Exchange Participant acknowledges that orders entered into HKATS shall be subject to, and may be blocked or cancelled as part of such Prescribed Risk Controls, including the blocking or cancellation of orders by the HKCC Participant which clears its trades if it is a Non-Clearing Participant.
- 1205B. An Exchange Participant shall implement adequate procedures to ensure that all persons having access to HKATS through its connection or any connection granted through the Exchange Participant comply with such Prescribed Risk Controls as are applicable to them and will not use the HKATS Risk Functions for any purpose other than Prescribed Risk Control purposes.
- 1205C. An Exchange Participant shall notify the Exchange forthwith upon the execution by any of its Authorized Persons of an order blocking or

cancellation function using the HKATS Risk Functions or any other function as prescribed by the Exchange from time to time.

1205D. An Exchange Participant is responsible for the Prescribed Risk Controls that are set upon it. The Exchange, the Clearing House and a recognized exchange controller of the Exchange shall in no case be liable for the sufficiency or effectiveness of such Prescribed Risk Controls or any failure or unavailability of, or error or defect in the HKATS Risk Functions.

#### Unauthorised Usage of HKATS

1206. An Exchange Participant shall implement adequate procedures to ensure that any person (whether an Exchange Participant or not) who has access to HKATS through its connection or any connection granted by the Exchange through the Exchange Participant complies with Rule 807A(a). An Exchange Participant shall ensure that all persons having access to HKATS through its connection or any connection granted through the Exchange Participant shall exercise due care in operating HKATS and that HKATS is operated and orders are entered, amended or canceled, in accordance with the procedures and guidelines from time to time prescribed by the Exchange.

1206A. An Exchange Participant shall be fully responsible and liable for any unstable condition, breakdown or damage to HKATS or the Exchange Participant's HKATS workstations as a result of any unauthorised usage of HKATS by the Exchange Participant or any person having access to HKATS through the Exchange Participant or as a result of any non-compliance by such person with Rule 1206.

#### Order Entry

1207. All orders must be entered into HKATS in accordance with these Rules, applicable Regulations and Procedures, and the HKATS User's Guide.

1208. Every order entered into HKATS must comply with and contain such information as required by the Procedures and the HKATS User's Guide.

1208A. Except for Auction Orders which may be entered into HKATS by Exchange Participants during the pre-opening and pre-open allocation sessions of the Pre-Market Opening Period, Exchange Participants shall ensure that each Client order is associated with a price limit.

1208B. The Exchange may from time to time prescribe a maximum size limit for each order that may be entered into HKATS by an Exchange Participant. Such order size limit may be prescribed by the Exchange in relation to any Exchange Contract, any category or group of Exchange Participants or in relation to any particular Exchange Participant. Orders entered into HKATS which exceed the prescribed order size limit will be rejected by HKATS.

### Matching and Ranking of Orders in HKATS

1209. The principle underlying the matching and ranking of orders processed by HKATS involves the application of a strict price/time priority methodology, which prioritizes orders based firstly on the best price and secondly by the time the order is processed by HKATS. Without prejudice to the foregoing, during the Pre-Market Opening Period where both Auction Orders and Limit Orders may exist, Auction Orders shall have priority over all Limit Orders and where Auction Orders are converted into Limit Orders immediately after Market open, the ranking of converted Auction Orders and Limit Orders with the same price shall be according to the time the orders are entered into HKATS during the Pre-Market Opening Period.

### Recording of Orders

1210. Each order shall be validly entered into HKATS at the time when it has been recorded in the Central Orderbook of HKATS relating to the applicable Exchange Contract in respect of which the order has been entered.
1211. The recorded details of each order maintained in the Central Orderbook of HKATS shall be conclusive evidence of the terms of each order entered into HKATS. No other evidence shall be admissible or otherwise recognised by any person in relation to determining whether an order has been entered into HKATS or in relation to determining the terms of any such order.
1212. Except as otherwise permitted by the Exchange, no Exchange Participant shall, apart from the ability to check its own orders through HKATS, be entitled to have access to any information stored in the Central Orderbook of HKATS or be able to enquire as to, or be entitled to discover, the identity of any person who has entered an order into the Central Orderbook.

### Amendment and Cancellation of Orders

1213. An Authorized Person of the Exchange Participant may amend and cancel any order which has been entered into the Central Orderbook of HKATS on behalf of a Client or the Exchange Participant provided that the amendment or cancellation is made in compliance with the instructions of that Client or the Exchange Participant, as the case may be, and in accordance with the order number designated in respect of that particular order. The Exchange shall permit the amendment or cancellation of an order in accordance with the Procedures. Notwithstanding any provisions in the Procedures which limit the amendment or cancellation of orders to specified time periods, inactive orders of Clients or the Exchange Participant may be amended or canceled at any time provided that the amendment or cancellation is made in compliance with the instructions of Clients or the Exchange Participant, as the case may be.

### Quote Requests

1214. Quote Requests may, at any time during the trading hours applicable to any Market operated through HKATS, be entered into HKATS by using the Quote Request function of HKATS, in response to which Market Makers shall (subject to, and in accordance with the applicable Rules, Regulations, Procedures and HKATS User's Guide) provide Quotes.

### Recording of Transactions

1215. An F/O Contract shall be executed at the time when an order in respect of an Exchange Contract in a futures delivery month or option series is matched by HKATS with another order in respect of an Exchange Contract in the same futures delivery month or option series and the details of such matched orders relating to the F/O Contract are recorded in the Transaction Register of HKATS. Immediately upon such recording, and provided that the F/O Contract has been validly executed in accordance with these Rules, the F/O Contract shall be subject to the process of novation in accordance with the Clearing House Rules unless otherwise determined by the Exchange. Notwithstanding the foregoing, no matched order recorded in the Transaction Register during the Pre-Market Opening Period of a Market shall be registered with the Clearing House or novated until the opening of the Market and no Block Trade or Tailor-Made Combination trade recorded in the Transaction Register shall be registered with the Clearing House or novated until the Clearing House is satisfied that the recorded Block Trade or Tailor-Made Combination trade is a valid trade and all criteria applicable to it have been satisfied. Unless an Exchange Participant receives any oral or written notice from the Exchange or the Clearing House that a Block Trade or Tailor-Made Combination trade is not valid or not all criteria applicable to it have been satisfied or that it will not be registered with or cleared by the Clearing House for any reason, the Block Trade or Tailor-Made Combination trade shall be deemed to be registered with the Clearing House and subject to the process of novation in accordance with the Clearing House Rules immediately upon the recording of such trade in the Transaction Register. The Exchange will endeavour to notify the Exchange Participant of any issue concerning the Block Trade or Tailor-Made Combination trade within 30 minutes of its execution by the Exchange Participant.
1216. Subject to Rule 1215, the recorded details of F/O Contracts maintained in the Transaction Register of HKATS resulting from matched orders, or such other record as the Exchange may, in its discretion accept, shall be conclusive evidence of the terms of each F/O Contract.
1217. Except as otherwise permitted by the Exchange, no Exchange Participant shall, apart from the ability to check details of its own F/O Contracts executed through HKATS have access to any information stored in the Transaction Register

regarding the identity of any person who has executed an F/O Contract recorded in the Transaction Register.

#### Block Trades

1218. An Exchange Participant shall only effect Block Trades in HKATS in accordance with Rules 815, 815A and 815B and such other procedures as may be prescribed by the Exchange from time to time.

#### Adjustments

1219. All matters relating to adjustment of F/O Contracts effected through HKATS which have been novated by the Clearing House shall be subject to the Clearing House Rules.

1220. *(deleted)*

#### Limitation of Liability

1221. The Exchange and a recognized exchange controller which is the controller of the Exchange shall in no case be liable for the loss of data, non-payment of profits or other damage relating to activities conducted through or associated with HKATS, of any Exchange Participant or any of its Clients or any third party whatsoever.

## **CHAPTER XIII**

### **OVERSEAS AFFILIATED PARTICIPANTSHIP**

1301. The Board may, in its absolute discretion, confer on any body corporate or other organization incorporated or formed outside Hong Kong and which has a bona fide interest in the production, marketing, processing or trading of any deliverable item the right to describe itself as an Overseas Affiliated Participant of the Exchange and the other rights specified in the Rules and, subject as hereinafter provided, such other rights and privileges as the Board may from time to time determine should be conferred on Overseas Affiliated Participants. The Board shall from time to time prescribe procedures and requirements to be complied with by applicants for Overseas Affiliated Participantship. Such requirements shall, without limitation, specify the minimum criteria (financial and otherwise) to be satisfied by referees of applicants and their obligations to make contributions to the reserve fund of the Clearing House.
1302. No individual may apply to become an Overseas Affiliated Participant and no Overseas Affiliated Participant shall be eligible:-
- (a) to become a holder of a Futures Exchange Trading Right and an Exchange Participant of the Exchange; or
  - (b) to trade on HKATS.
1303. Overseas Affiliated Participantship is not transferable.
1304. The Board may prescribe minimum financial requirements for Overseas Affiliated Participants.
1305. Overseas Affiliated Participantship shall only be valid for a period of twelve months in the first instance but may be renewed upon application. Every applicant for renewal, whether on the first or any other occasion, must disclose and supply such information and documentation and comply with such requirements as may from time to time be prescribed by the Board.
1306. Unless renewed, Overseas Affiliated Participantship will automatically cease and determine upon expiration of the period of twelve months commencing on the date of grant of Overseas Affiliated Participantship. Each renewal shall be valid for a period of twelve months commencing on the date of renewal.
1307. An Overseas Affiliated Participant shall not describe itself as an Exchange Participant of the Exchange but may describe itself as an "Overseas Affiliated Participant", which description shall not be used or altered in any way which

might lead persons dealing with an Overseas Affiliated Participant to believe that it is an Exchange Participant of the Exchange.

1308. An Overseas Affiliated Participant may be allowed to place orders, on such terms as the Board thinks fit, in one or more markets for its own account or for the account of any client who is not a resident of Hong Kong. All such orders must be executed on HKATS by an Exchange Participant in accordance with these Rules.
1309. Rules 304, 305, 306(a), (b) and (g), 307, 308, 311, 501, 503, 506 (except for 506(f), 507, 509, 514, 517 to 522 and (so far as capable of applying) Rules 701 to 719 and 721 to 732 inclusive) shall apply with respect to Overseas Affiliated Participants and Overseas Affiliated Participantships (and, insofar as capable of applying, each application for renewal for such membership) as they apply to Exchange Participants and Exchange Participantship of the Exchange.

## **CHAPTER XIV**

### **REMOTE ACCESS CLIENTS**

#### **Application for Clients to be granted Direct Access to HKATS**

1401. The Exchange may, on an Exchange-HKCC Participant's application, approve any Client that satisfies the requirements from time to time prescribed by the Exchange as a Remote Access Client and confer on the Client the right to connect directly to HKATS for the purpose of trading Exchange Contracts.
1402. In applying for a Client to be registered as a Remote Access Client, an Exchange-HKCC Participant shall follow the procedures from time to time prescribed by the Exchange.
1403. The decision as to whether or not a Client of an Exchange-HKCC Participant should be approved as a Remote Access Client is entirely in the discretion of the Exchange. The Exchange may impose such conditions as it thinks fit on the approval of any Remote Access Client.

#### **Conditions**

1404. A Client of an Exchange-HKCC Participant shall not be approved as a Remote Access Client unless and until the following conditions are satisfied:-
- (a) it is a body corporate or other organization incorporated or formed outside Hong Kong;
  - (b) it either
    - (i) trades Futures Contracts and/or Options Contracts for its own account only; or
    - (ii) is a subsidiary or the holding company of the Exchange-HKCC Participant or a subsidiary of the holding company of the Exchange-HKCC Participant;
  - (c) it is regulated by the relevant commodity or futures trading or financial authority of the jurisdiction in which it carries on the trading of Futures Contracts and/or Options Contracts and such authority has in place a memorandum of understanding with the Commission pertaining to the sharing of regulatory information;



- (d) it has obtained all necessary approvals for the trading of Exchange Contracts and the placement of HKATS terminals or automated order routing systems in connection therewith from the relevant regulatory authority of the jurisdiction in which it carries on the trading of Futures Contracts and/or Options Contracts;
- (e) the Exchange is satisfied that the placement of HKATS terminals and automated order routing systems by the Remote Access Client in its jurisdiction will not render the Exchange subject to the regulatory, reporting or other requirements of any authority of that jurisdiction or, if the placement of HKATS terminals and automated order routing systems will render the Exchange subject to such requirements, the Exchange has agreed with the relevant authority to comply with such requirements and/or has obtained the necessary approvals or confirmations from such authority; and
- (f) it has complied with any other conditions specified in the notice of approval or other requirements prescribed by the Exchange.

Obligations of Exchange-HKCC Participants in connection with Remote Access Clients

1405. An Exchange-HKCC Participant shall ensure that so long as its Client is registered as a Remote Access Client:-
- (a) the conditions set forth in Rule 1404 are at all times satisfied and continue to be satisfied by the Client; and
  - (b) the Client complies with all requirements for the maintenance, operation, use and security of HKATS.
1406. An Exchange-HKCC Participant shall give prompt notice to the Exchange of any change in information on a Remote Access Client supplied to the Exchange at the time of application under Rule 1401 or from time to time after the application.
1407. An Exchange-HKCC Participant is liable for all orders and F/O Contracts arising from each of its Remote Access Clients' connections to HKATS and recorded in the Central Orderbook and the Transaction Register respectively of HKATS or other consequences resulting from the use of the Remote Access Client's connection. An Exchange-HKCC Participant shall implement adequate procedures and measures to monitor the trading on HKATS by its Remote Access Clients and to ensure compliance with its risk management policy.

1408. An Exchange-HKCC Participant is responsible for the settlement and clearing of all trades executed via a Remote Access Client's connection so long as the Remote Access Client is registered with the Exchange as a Remote Access Client of the Exchange-HKCC Participant.
1409. All other obligations of an Exchange-HKCC Participant under the Rules, Regulations and Procedures in respect of a Remote Access Client, including but not limited to the provisions of Chapter VI of these Rules, shall remain in full force and effect.

#### Trading on HKATS by Remote Access Clients

1410. An Exchange-HKCC Participant shall, on behalf of a Remote Access Client, notify the Exchange of at least one Remote Access Client Representative who will be the contact person and representative of the Remote Access Client. The Remote Access Client Representative shall be an employee of the Remote Access Client and shall be a person regulated by the same authority that regulates the Remote Access Client as referred to in Rule 1404(c).
1411. The Chief Executive may prevent any Remote Access Client from accessing or using HKATS and may suspend, revoke or limit such access or use for the purpose of ensuring the proper operation of the Markets.
1412. Unless otherwise determined by the Exchange or expressly provided in this Chapter or the context requires otherwise, all provisions in the Rules, Regulations and Procedures relating to the trading on, operation of and access to HKATS, including but not limited to the obligations of Exchange Participants and the rights and powers of the Exchange, the Board and the Chief Executive against Exchange Participants relating to the trading on, operation of and access to HKATS in Chapters 8 and 12 of these Rules, shall apply to Remote Access Clients as if references therein to "Exchange Participants" were to "Remote Access Clients". Each Exchange-HKCC Participant shall procure that its Remote Access Clients comply with all such provisions and shall be fully responsible and liable and may be subject to disciplinary proceedings for any non-compliance by its Remote Access Clients with such provisions.

## CHAPTER XV

### PAYMENT OF FEES AND CHARGES

#### Fees and Charges

1501. Subject to such approvals as may be required under the Ordinance:-

- (a) the Exchange shall have the power to impose and collect fees and charges in relation to such matters or things and in such amount as the Exchange may from time to time think fit in addition to any fees and charges specifically required to be paid by or imposed on Exchange Participants under these Rules, to require the payment of such fees and charges by Exchange Participants or other persons and to prescribe the time and method of payment thereof;
- (b) the fees imposed by the Exchange in its capacity as a recognized exchange company within the meaning of Part 1 of Schedule 1 to the Ordinance shall, unless otherwise specified in these Rules, be specified in Appendix B;
- (c) the amount of any fees and charges imposed by the Exchange pursuant to these Rules shall be notified to Exchange Participants and such amount of fees and charges may from time to time be revised by the Exchange as it shall in its absolute discretion think fit and the Exchange shall notify such revised fees and charges to Exchange Participants; and
- (d) each Exchange Participant shall comply with the requirements, instructions or directions of the Exchange regarding the payment of fees and charges and shall pay promptly and discharge in full as they fall due all fees and charges from time to time required to be paid to the Exchange or the Clearing House, including the payment of interest, surcharge, penalty or fine for late payment of such fees and charges.

#### Levies

1502. Each Exchange Participant shall charge each Client in respect of each Leviale Transaction:

- (a) a levy for the purposes of the Investor Compensation Fund at the rate or of the amount as prescribed from time to time pursuant to the Ordinance; and

- (b) a Commission Levy as required under the Ordinance at the rate or of the amount as prescribed from time to time pursuant to the Ordinance

and shall forthwith pay such levies to the Exchange or its collecting agent at such time and in such manner as the Board may from time to time direct and the Exchange shall remit or procure the remittance of such levies to the Commission.

## CHAPTER XVI

### DESIGNATED INDEX ARBITRAGE TRANSACTIONS AND STOCK FUTURES HEDGING TRANSACTIONS

#### General

1601. The Rules in this Chapter are applicable to (i) any Exchange Participant which intends to apply to SEHK, through an SEHK Participant designated by the Exchange Participant, for exemption from compliance with the Tick Rule in respect of Designated Index Arbitrage Short Selling conducted for its account or for the account of a registered arbitrageur (as defined in Rule 1603) by the Exchange Participant's designated SEHK Participant and (ii) any Market Maker in the Stock Futures Market which intends to apply to SEHK, through an SEHK Participant designated by the Market Maker, for exemption from compliance with the Tick Rule in respect of Stock Futures Hedging Short Selling conducted for its account by the designated SEHK Participant.
1602. For the purposes of this Chapter, "Tick Rule" means the requirement under the Rules of SEHK that short selling of a security on SEHK must not be made below certain price as specified under the Rules of SEHK, and "Tick Rule Exemption" shall be construed accordingly.

#### Tick Rule Exemption in relation to Designated Index Arbitrage Transactions

1603. In order for an SEHK Participant which has been designated by an Exchange Participant under Rule 1604(c) to be exempt from compliance with the Tick Rule in respect of Designated Index Arbitrage Short Selling conducted (i) for the Exchange Participant's account; (ii) for the account of an affiliate of the Exchange Participant; (iii) for the account of the SEHK Participant; or (iv) for the account of any person which is an affiliate of the SEHK Participant, the Exchange Participant must be registered with the Exchange as a Designated Index Arbitrage Participant. In order to be so registered, an Exchange Participant shall apply to the Exchange by completing such form and complying with such instructions as may from time to time be prescribed by the Exchange. The Exchange Participant shall also apply to the Exchange to register those persons for whose account the Exchange Participant will be conducting Designated Index Arbitrage Transactions ("registered arbitrageur"). The decision as to whether or not to approve the application is entirely at the discretion of the Exchange. The Exchange may impose such conditions as it thinks fit on the approval of such application. For the purposes of Designated Index Arbitrage Transactions, the term "affiliate", in relation to a company, means a subsidiary of the company, the holding company of the company or a subsidiary of the holding company of the company.

1604. An Exchange Participant shall ensure that so long as it is registered as a Designated Index Arbitrage Participant, the following conditions are at all times satisfied when conducting Designated Index Arbitrage Transactions and in order for the Tick Rule Exemption to apply to any Designated Index Arbitrage Short Selling conducted as part of a Designated Index Arbitrage Transaction:

- (a) the Designated Index Arbitrage Transaction is only conducted in such Stock Index Futures Contracts as may from time to time be designated by the Exchange (“Designated Stock Index Futures Contracts”);
- (b) the Designated Index Arbitrage Transaction is only conducted for its own account or for the account of a registered arbitrageur;
- (c) it has designated and its registered arbitrageur has designated an SEHK Participant which is registered with SEHK as a Designated Index Arbitrage Short Selling Participant under the Rules of SEHK to conduct on SEHK such parts of the Designated Index Arbitrage Transaction that need to be conducted on SEHK;
- (d) each of its registered arbitrageurs which trades Designated Stock Index Futures Contracts as part of its Designated Index Arbitrage Transactions trades for its own account only;
- (e) it shall ensure, and procure that its registered arbitrageur shall ensure, that any Designated Index Arbitrage Short Selling conducted by its or its registered arbitrageur’s designated SEHK Participant on its or its registered arbitrageur’s behalf comply with the conditions and criteria set forth in the Rules of SEHK relating to Designated Index Arbitrage Short Selling; and
- (f) such other conditions as may from time to time be prescribed by the Exchange.

1605. A Designated Index Arbitrage Participant, or a Designated Index Arbitrage Participant on behalf of a registered arbitrageur, may purchase or sell a Designated Stock Index Futures Contract for the purpose of rebalancing a Designated Index Arbitrage Transaction. The Exchange may at any time limit the number of contracts or the total value of contracts purchased or sold as part of the rebalancing of a Designated Index Arbitrage Transaction. A Designated Index Arbitrage Participant shall notify the Exchange, in such manner as prescribed by the Exchange from time to time, if the total value of contracts purchased or sold for the purpose of rebalancing a Designated Index Arbitrage Transaction in one Trading Day exceeds 4% of the total value of the Designated Index Arbitrage Transaction (valued as at the previous Trading Day).

1606. A Designated Index Arbitrage Participant shall, and shall procure that its registered arbitrageur shall, ensure that any closing-out or unwinding of a Designated Index Arbitrage Transaction conducted by its or its registered arbitrageur's designated SEHK Participant on its or its registered arbitrageur's behalf complies with the conditions and criteria set forth in the Rules of SEHK relating to the closing-out or unwinding of a Designated Index Arbitrage Transaction.
1607. Unless otherwise permitted by the Exchange, no external allocation or transfer of positions in a Designated Stock Index Futures Contract conducted as part of a Designated Index Arbitrage Transaction for which the Tick Rule Exemption is claimed from one Designated Index Arbitrage Participant to another will be permitted.
1608. Each Designated Index Arbitrage Participant shall keep as part of its records and make available to the Exchange or the Commission for inspection when requested to do so and within such period of time as specified in the request, all information regarding Designated Index Arbitrage Transactions conducted for its own account or for the account of its registered arbitrageur.
1609. Each Designated Index Arbitrage Participant shall procure its registered arbitrageur to make available to the Exchange or the Commission for inspection all books and records regarding the registered arbitrageur's relevant Designated Index Arbitrage Transactions within 3 Business Days of the Exchange or the Commission's request or within such other period as may be specified by the Exchange or the Commission in its request.
1610. The Exchange may disclose any information relating to a Designated Index Arbitrage Participant or its registered arbitrageur to SEHK or any recognized exchange controller which is the controller of the Exchange in connection with any inquiry, investigation, action or disciplinary proceedings that may be brought against the Designated Index Arbitrage Short Selling Participant (as defined in the Rules of SEHK) which the Designated Index Arbitrage Participant or its registered arbitrageur has designated to conduct Designated Index Arbitrage Transactions on SEHK on its behalf. The Exchange shall also be permitted to use and rely on any information regarding a Designated Index Arbitrage Participant or its registered arbitrageur that has been provided by SEHK or any recognized exchange controller which is the controller of SEHK in connection with any inquiry, investigation, action or disciplinary proceedings that may be brought against the Designated Index Arbitrage Participant.
1611. Each order of a Designated Stock Index Futures Contract relating to a Designated Index Arbitrage Transaction for which the Tick Rule Exemption is claimed shall be entered into HKATS by a Designated Index Arbitrage Participant with a specific transaction indicator assigned by the Exchange followed by a transaction nature indicator and a transaction reference number

in the customer information field of the Order Entry Window (in sequential order). The Designated Index Arbitrage Participant shall ensure that the same assigned transaction indicator, transaction nature indicator and transaction reference number is used by the relevant Designated Index Arbitrage Short Selling Participant of SEHK when executing the Designated Index Arbitrage Transactions that correspond to such order on SEHK on its or its registered arbitrageur's behalf.

1612. Each Designated Index Arbitrage Participant shall report all errors relating to a Designated Index Arbitrage Transaction in such manner as may be prescribed by the Exchange from time to time.
1613. Each Designated Index Arbitrage Participant shall procure its registered arbitrageur to comply with the relevant obligations set forth in the Rules of this Chapter and shall be fully responsible and liable and may be subject to disciplinary proceedings for any non-compliance by its registered arbitrageur.

#### Tick Rule Exemption in relation to Stock Futures Hedging Transactions

1614. A Market Maker in the Stock Futures Market wishing to be exempt from the Tick Rule in relation to Stock Futures Hedging Short Selling must be registered with the Exchange as a Stock Futures Hedging Participant. In order to be so registered, the Market Maker shall apply to the Exchange by completing such form and complying with such instructions as may from time to time be prescribed by the Exchange. The Market Maker shall also apply to the Exchange to register an SEHK Participant which will conduct on SEHK on its behalf such parts of the Stock Futures Hedging Transaction that need to be conducted on SEHK. The decision as to whether or not to approve the application is entirely at the discretion of the Exchange. The Exchange may impose such conditions as it thinks fit on the approval of such application.
1615. A Market Maker shall ensure that so long as it is registered as a Stock Futures Hedging Participant, the following conditions are at all times satisfied:
  - (i) Stock Futures Hedging Transactions are only conducted for an account of the Market Maker;
  - (ii) it has designated only one SEHK Participant, which is registered with SEHK as a Designated Stock Futures Hedging Short Selling Participant under the Rules of SEHK to conduct on SEHK on behalf of the Market Maker such parts of the Stock Futures Hedging Transactions that need to be conducted on SEHK; and
  - (iii) such other conditions as may from time to time be prescribed by the Exchange.



1616. Each Exchange Participant shall, and shall procure that the Designated Stock Futures Hedging Short Selling Participant which it has designated to conduct Stock Futures Hedging Transactions on SEHK on its behalf shall, ensure that, at all times, the extent to which the Tick Rule Exemption may be claimed by a Designated Stock Futures Hedging Short Selling Participant in respect of Stock Futures Hedging Short Selling of shares underlying a particular Stock Futures Contract conducted for the account of each Stock Futures Hedging Participant shall be subject to a maximum hedging limit. For the purpose of Stock Futures Hedging Transactions, the maximum hedging limit for each Stock Futures Contract equals 1.1 multiplied by the number of contracts held by the Stock Futures Hedging Participant in the Stock Futures Contract which are not hedged by an offsetting transaction multiplied by the Contract Multiplier of the Stock Futures Contract. Positions in such Stock Futures Contract which are not hedged by offsetting transactions cannot be carried forward to the next Trading Day for the calculation of the maximum hedging limit, unless they have been reported to the Exchange in such manner as prescribed by the Exchange from time to time. Under no circumstances shall a position in Stock Futures Contract which is not hedged be carried forward for more than one Trading Day for the calculation of the maximum hedging limit.
1617. Each Exchange Participant shall keep as part of its records and make available to the Exchange or the Commission for inspection when requested to do so and within such period of time as specified in the request, all information regarding Stock Futures Hedging Transactions of the Stock Futures Hedging Participants registered through it, including but not limited to the following:
- (i) details of each component comprising a hedging portfolio, whether such component relates to a Stock Futures Contract, securities or any other type of instrument;
  - (ii) the positions, whether long or short, of each component comprising the hedging portfolio at the beginning and at the close of each Trading Day; and
  - (iii) any other particulars as may be prescribed by the Exchange from time to time.
1618. The Exchange may disclose any information relating to a Stock Futures Hedging Participant or a Designated Stock Futures Hedging Short Selling Participant to SEHK or any recognized exchange controller of the Exchange in connection with any inquiry, investigation, action or disciplinary proceedings that may be brought against the Designated Stock Futures Hedging Short Selling Participant. The Exchange shall also be permitted to use and rely on any information regarding a Stock Futures Hedging Participant or a Designated Stock Futures Hedging Short Selling Participant that has been provided by SEHK or any recognized exchange controller which is the controller of SEHK in connection with any inquiry, investigation, action or

disciplinary proceedings that may be brought against an Exchange Participant in respect of any Stock Futures Hedging Participant registered through it.

1619. Each Exchange Participant shall report all errors relating to transactions in Stock Futures Contracts conducted by its Stock Futures Hedging Participants as part of their Stock Futures Hedging Transactions in such manner as prescribed by the Exchange from time to time.

## **CHAPTER XVII**

[Deleted]

## **APPENDIX A**

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## APPENDIX B - FEES

Description	Amount <sup>1</sup>
<i>Exchange trading fees</i>	
HSI Futures	House/Client a/c 10.00/Lot MM in HSI Options, Mini-HSI Options, 3.50/Lot Weekly HSI Options or HSIF Options <sup>2</sup> or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
HSI Options	House/Client a/c 10.00/Lot MM a/c 2.00/Lot MM in Mini-HSI Options, Weekly HSI 3.50/Lot Options or HSIF Options <sup>2</sup> or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Weekly HSI Options	House/Client a/c 10.00/Lot MM a/c 2.00/Lot MM in HSI Options, Mini-HSI Options or 3.50/Lot HSIF Options <sup>2</sup> or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Mini-HSI Futures	House/Client a/c 3.50/Lot MM in HSI Options, Mini-HSI Options, 1.00/Lot Weekly HSI Options or HSIF Options <sup>2</sup> or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Mini-HSI Options	House/Client a/c 2.00/Lot MM a/c 0.40/Lot MM in HSI Options, Weekly HSI Options 0.70/Lot or HSIF Options <sup>2</sup> or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng TECH Index Futures	House/Client a/c 5.00/Lot MM in Hang Seng TECH Index Options, 1.75/Lot Weekly Hang Seng TECH Index Options or Hang Seng TECH Index Futures Options <sup>2</sup> or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng TECH Index Options	House/Client a/c 5.00/Lot MM a/c 1.00/Lot MM in Weekly Hang Seng TECH Index 1.75/Lot Options or Hang Seng TECH Index Futures Options <sup>2</sup> or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant

<sup>1</sup> Unless otherwise specified, the amounts listed in this appendix are in HK dollars

<sup>2</sup> The number of contracts that are eligible for a reduced Exchange Fee may be limited as specified in the Procedures relating to Stock Index Futures and Stock Index Options contained in these Rules

**FEES (continued)**

Description		Amount <sup>1</sup>
Weekly Hang Seng TECH Index Options	House/Client a/c MM a/c MM in Hang Seng TECH Index Options or Hang Seng TECH Index Futures Options <sup>2</sup>	5.00/Lot 1.00/Lot 1.75/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
HIBOR	House/Client a/c MM a/c	5.00/Lot 1.00/Lot
Hong Kong Stock Futures		
Tier 1	House/Client a/c MM a/c	3.00/Lot 0.50/Lot
Tier 2	House/Client a/c MM a/c	1.00/Lot 0.15/Lot
Tier 3	House/Client a/c MM a/c	0.50/Lot 0.07/Lot
US Stock Futures	House/Client a/c MM a/c	USD0.25/Lot USD0.04/Lot
Japanese Stock Futures	House/Client a/c MM a/c	USD0.25/Lot USD0.04/Lot
Korean Stock Futures	House/Client a/c MM a/c	USD0.45/Lot USD0.07/Lot
Taiwanese Stock Futures	House/Client a/c MM a/c	USD0.45/Lot USD0.07/Lot
Options on US Stock Futures	House/Client a/c MM a/c	USD0.25/Lot USD0.04/Lot
Options on Japanese Stock Futures	House/Client a/c MM a/c	USD0.25/Lot USD0.04/Lot
Options on Korean Stock Futures	House/Client a/c MM a/c	USD0.45/Lot USD0.07/Lot
Options on Taiwanese Stock Futures	House/Client a/c MM a/c	USD0.45/Lot USD0.07/Lot
Exchange Fund Note Futures	House/Client a/c MM a/c	6.00/Lot 2.00/Lot
HSCEI Futures	House/Client a/c MM in HSCEI Options, Mini- HSCEI Options, Weekly HSCEI Options or HSCEIF Options <sup>2</sup>	3.50/Lot 1.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
HSCEI Options	House/Client a/c MM a/c MM in Mini-HSCEI Options, Weekly HSCEI Options or HSCEIF Options <sup>2</sup>	3.50/Lot 0.50/Lot 1.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant

**FEES (continued)**

Description	Amount <sup>1</sup>
Weekly HSCEI Options	House/Client a/c 3.50/Lot MM a/c 0.50/Lot MM in HSCEI Options, Mini- HSCEI Options or HSCEIF Options <sup>2</sup> 1.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Mini-HSCEI Futures	House/Client a/c 2.00/Lot MM in HSCEI Options, Mini- HSCEI Options, Weekly HSCEI Options or HSCEIF Options <sup>2</sup> 0.70/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Mini-HSCEI Options	House/Client a/c 1.00/Lot MM a/c 0.20/Lot MM in HSCEI Options, Weekly HSCEI Options or HSCEIF Options <sup>2</sup> 0.35/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng China H-Financials Index Futures	House/Client a/c 5.00/Lot MM a/c 1.00/Lot
USD Gold Futures	House/Client a/c USD1.00/Lot MM a/c USD1.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
CNH Gold Futures	House/Client a/c RMB6.00/Lot MM a/c RMB6.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
USD Silver Futures	House/Client a/c USD1.00/Lot MM a/c USD1.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
CNH Silver Futures	House/Client a/c RMB6.00/Lot MM a/c RMB6.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
HSI Dividend Point Index Futures	House/Client a/c 3.00/Lot MM a/c 0.60/Lot
HSCEI Dividend Point Index Futures	House/Client a/c 1.50/Lot MM a/c 0.30/Lot
HSI Volatility Index Futures	House/Client a/c 10.00/Lot MM a/c 2.00/Lot

**FEES (continued)**

<b>Description</b>		<b>Amount<sup>1</sup></b>
CES China 120 Index Futures	House/Client a/c MM a/c	10.00/Lot 2.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng Mainland Banks Index Futures	House/Client a/c MM a/c	2.00/Lot 0.40/Lot Or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
CNH London Aluminium Mini Futures	House/Client a/c MM a/c	RMB3.00/Lot RMB3.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
CNH London Zinc Mini Futures	House/Client a/c MM a/c	RMB3.00/Lot RMB3.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
CNH London Copper Mini Futures	House/Client a/c MM a/c	RMB3.00/Lot RMB3.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
CNH London Nickel Mini Futures	House/Client a/c MM a/c	RMB3.00/Lot RMB3.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
CNH London Tin Mini Futures	House/Client a/c MM a/c	RMB3.00/Lot RMB3.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
CNH London Lead Mini Futures	House/Client a/c MM a/c	RMB3.00/Lot RMB3.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
USD London Aluminium Mini Futures	House/Client a/c MM a/c	USD0.50/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant



**FEES (continued)**

<b>Description</b>		<b>Amount<sup>1</sup></b>
USD London Zinc Mini Futures	House/Client a/c MM a/c	USD0.50/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
USD London Copper Mini Futures	House/Client a/c MM a/c	USD0.50/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
USD London Nickel Mini Futures	House/Client a/c MM a/c	USD0.50/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
USD London Tin Mini Futures	House/Client a/c MM a/c	USD0.50/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
USD London Lead Mini Futures	House/Client a/c MM a/c	USD0.50/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
AUD/CNH Futures	House/Client a/c MM a/c	RMB5.00/Lot RMB5.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
EUR/CNH Futures	House/Client a/c MM a/c	RMB5.00/Lot RMB5.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
INR/CNH Futures	House/Client a/c MM a/c	RMB2.50/Lot RMB2.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant

**FEES (continued)**

Description		Amount <sup>1</sup>
JPY/CNH Futures	House/Client a/c MM a/c	RMB5.00/Lot RMB5.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
USD/CNH Futures	House/Client a/c MM a/c	RMB8.00/Lot RMB1.60/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Mini USD/CNH Futures	House/Client a/c MM a/c	RMB1.60/Lot RMB1.60/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
CNH/USD Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.60/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
INR/USD Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.60/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
USD/CNH Options	House/Client a/c MM a/c	RMB8.00/Lot RMB8.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Five-Year MOF T-Bond Futures	House/Client a/c MM a/c	RMB 5.00/Lot RMB 5.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
TSI Iron Ore Fines 62% Fe CFR China Futures	House/Client a/c MM a/c	USD1.00/Lot USD1.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI AC Asia ex Japan Net Total Return Index Futures	House/Client a/c MM a/c	USD0.50/Lot USD0.10/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant

**FEES (continued)**

Description		Amount <sup>1</sup>
MSCI Australia Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI China A 50 Connect (USD) Index Futures	House/Client a/c MM a/c	USD 1.00/Lot USD 0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI China (USD) Index Futures	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI China Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Emerging Markets (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Emerging Markets Asia ex China Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Emerging Markets Asia ex Korea Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Emerging Markets Asia Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Emerging Markets EMEA Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Emerging Markets ex China Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot

**FEES (continued)**

Description		Amount <sup>1</sup>
		or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Emerging Markets ex Korea Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot
		or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Emerging Markets Latin America Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot
		or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Emerging Markets Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot
		or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Hong Kong Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot
		or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI India (USD) Index Futures	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot
		or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI India Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot
		or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Indonesia (USD) Index Futures	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot
		or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Indonesia Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot
		or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Japan Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot
		or such lesser amount as the Exchange may from time to time

**FEES (continued)**

<b>Description</b>		<b>Amount<sup>1</sup></b>
		agree with the relevant Exchange Participant
MSCI Malaysia (USD) Index Futures	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Malaysia Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI New Zealand Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Pacific ex Japan Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Pacific Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Philippines (USD) Index Futures	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Philippines Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Singapore Free (SGD) Index Futures	House/Client a/c MM a/c	SGD1.40/Lot SGD0.70/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Singapore Free Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant

**FEES (continued)**

<b>Description</b>		<b>Amount<sup>1</sup></b>
MSCI Singapore Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Taiwan (USD) Index Futures	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Taiwan (USD) Index Options	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Taiwan Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Taiwan 25/50 (USD) Index Futures	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Taiwan 25/50 Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Thailand (USD) Index Futures	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Thailand Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
MSCI Vietnam (USD) Index Futures	House/Client a/c MM a/c	USD1.00/Lot USD0.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant

**FEES (continued)**

Description		Amount <sup>1</sup>
MSCI Vietnam Net Total Return (USD) Index Futures	House/Client a/c MM a/c	USD0.60/Lot USD0.30/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng Index (Gross Total Return Index) Futures	House/Client a/c MM a/c	30.00/Lot 6.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng Index (Net Total Return Index) Futures	House/Client a/c MM a/c	30.00/Lot 6.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng China Enterprises Index (Gross Total Return Index) Futures	House/Client a/c MM a/c	10.00/Lot 2.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng China Enterprises Index (Net Total Return Index) Futures	House/Client a/c MM a/c	10.00/Lot 2.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
HSIF Options	House/Client a/c MM a/c MM in HSI Options, Mini-HSI Options or Weekly HSI Options <sup>2</sup>	10.00/Lot 2.00/Lot 3.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
HSCEIF Options	House/Client a/c MM a/c MM in HSCEI Options, Mini-HSCEI Options or Weekly HSCEI Options <sup>2</sup>	3.50/Lot 0.50/Lot 1.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng TECH Index Futures Options	House/Client a/c MM a/c MM in Hang Seng TECH Index Options or Weekly Hang Seng TECH Index Options <sup>2</sup>	5.00/Lot 1.00/Lot 1.75/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant

**FEES (continued)**

<b>Description</b>	<b>Amount<sup>1</sup></b>
<i>HKATS-related fees</i>	
HKATS Online fee for connection through the central gateway	2600/month/connection
OAPI sub-license fee for connection with a throughput rate of 5 transactions per second through the central gateway	2600/month/OAPI provided that no OAPI sub-license fee will be charged for either the first 2 connections with a throughput rate of 5 transaction per second or the first connection with a throughput rate of 10 transactions per second of an Exchange Participant
OAPI sub-license fee for connection with a throughput rate of 10 transactions per second through the central gateway	5200/month/OAPI provided that no OAPI sub-license fee will be charged for either the first 2 connections with a throughput rate of 5 transactions per second or the first connection with a throughput rate of 10 transactions per second of an Exchange Participant
HKATS Risk Functions sub-license fee for connections through the central gateway	1000/month/connection provided that no fee will be charged for the first 3 connections of an Exchange Participant or a General Clearing Participant which is a Registered Institution as defined in Rule 101 of the Clearing House Rules
Access to the Exchange's testing environment	100/day or part thereof provided that no access fee will be charged for the first 5 Business Days
Performance of login test or transaction test outside of the Exchange's normal working hours from 9 a.m. to 6 p.m.	1,000/day or part thereof regardless of test results
OAPI certification	2,000/test regardless of test results
Rental of HKATS Online workstations in SOS centre	1,000/workstation/day or part thereof
On-behalf-of processing	
(i) bulk deletions involving more than 20 orders	1,000/bulk deletion
(ii) transactions other than bulk deletions	50/transaction
Flexible Options Creation Fee	



**FEES (continued)**

<b>Description</b>	<b>Amount<sup>1</sup></b>
Creation of option series in Flexible Option	\$2,000/option series for the creation of more than 20 option series per calendar month per Exchange Participant, excluding those option series that result in a trade executed by the Exchange Participant on the same Trading Day of its creation
Reprint of reports	5/page, up to a maximum of 1,000/report
Processing of Error Trades pursuant to HKFE Rule 819B (payable by the Exchange Participant who initiated the claim only)	3,000/trade
Processing of Large-Scale Error Trades pursuant to HKFE Rule 819BA (payable by the Exchange Participant who initiated the claim on trades to which the Exchange Participant is a party only)	3,000/trade
Processing of erroneous trades pursuant to HKFE Rule 819C	800/trade, exclusive of trading and clearing fees
<b><i>Exchange Participantship/Trading Right-related fees</i></b>	
Exchange Participantship subscription fee	6,000/annum (waived for the first year pursuant to an application made under Rule 3A03A(c))
Futures Exchange Trading Right (other than those issued under Rule 3A16A and pursuant to an application made under Rule 3A03A(c))	500,000/Futures Exchange Trading Right
Futures Exchange Trading Right issued pursuant to an application made under Rule 3A03A(c)	1 /Futures Exchange Trading Right
Futures Exchange Trading Right under Rule 3A16A	10,000
Futures Exchange Trading Right register maintenance fee (applicable to non-Exchange Participant holders of Futures Exchange Trading Rights only)	14,000/annum
Exchange Participant register inspection fee	300/inspection
Futures Exchange Trading Right register inspection fee	300/inspection

<p>Contract Specifications For Hang Seng Index (HSI) Futures</p>
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The following Contract Specifications shall apply to the Hang Seng Index Futures Contract\*\*:

Underlying Index/Index	Hang Seng Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$50 per Index point*
Contract Months	For Short-dated Futures: Spot Month, the next three calendar months and the next three calendar quarter months (i.e. quarterly months are March, June, September and December)  For Long-dated Futures: the three months of June and December plus the next three months of December following the Contract Months specified for Short-dated Futures
Minimum Fluctuation	One Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price in whole Index points at which a Hang Seng Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Position delta for Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and  Position delta for Hang Seng Index Futures, Hang Seng

Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	8:45 a.m. – 9:15 a.m. and 12:30 p.m. – 1:00 p.m.
Trading Hours (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States
Trading Hours on Last Trading Day (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) and 1:00 p.m. – 4:00 p.m. (afternoon trading session)  There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Last Trading Day	The second last Trading Day of the Contract Month
Final Settlement Price	The Final Settlement Price for Hang Seng Index Futures Contracts shall be a number, rounded down to the nearest whole number, determined by the Clearing House and

shall be the average of quotations of the Hang Seng Index compiled, computed and disseminated by Hang Seng Indexes Company Limited\* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances

Trading Fee  
(per contract per side)

Exchange Fee

HK\$10.00

The amount indicated above is subject to change from time to time

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate

Negotiable

\* Same as the Hang Seng Index Option Contract

\*\* The Hang Seng Index Futures Contract and the Mini-Hang Seng Index Futures Contract are fungible. Positions in these two Exchange Contracts will be netted automatically (in the case of House and Market Maker accounts) or may be closed out (in the case of Client account) in accordance with the Clearing House Rules

<p>Contract Specifications For Mini-Hang Seng Index (HSI) Futures</p>
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The following Contract Specifications shall apply to the Mini-Hang Seng Index Futures Contract\*\*:

Underlying Index/Index	Hang Seng Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$10 per Index point*
Contract Months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	One Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price in whole Index points at which a Mini-Hang Seng Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>Position delta for Mini-Hang Seng Index Futures, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and</p> <p>Position delta for Mini-Hang Seng Index Futures, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose,</p>

	(i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time
Large Open Positions	2,500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  2,500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	8:45 a.m. – 9:15 a.m. and 12:30 p.m. – 1:00 p.m.
Trading Hours (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States
Trading Hours on Last Trading Day (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) and 1:00 p.m. – 4:00 p.m. (afternoon trading session)  There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Last Trading Day
Settlement Method	Cash settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month
Final Settlement Price	The Final Settlement Price for Mini-Hang Seng Index Futures Contracts shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of quotations of the Hang Seng Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final

Settlement Price under certain circumstances

Trading Fee  
(per contract per side)

Exchange Fee

HK\$3.50

The amount indicated above is subject to change from time to time

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate

Negotiable

\* Same as the Mini-Hang Seng Index Option Contract

\*\* The Mini-Hang Seng Index Futures Contract and the Hang Seng Index Futures Contract are fungible. Positions in these two Exchange Contracts will be netted automatically (in the case of House and Market Maker accounts) or may be closed out (in the case of Client account) in accordance with the Clearing House Rules

<p>Contract Specifications For Hang Seng China Enterprises Index (HSCEI) Futures</p>
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The following Contract Specifications shall apply to the Hang Seng China Enterprises Index Futures Contract:-

Underlying Index/Index	Hang Seng China Enterprises Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$50 per Index point*
Contract Months	For Short-dated Futures: Spot Month, the next three calendar months and the next three calendar quarter months (i.e. quarterly months are March, June, September and December)  For Long-dated Futures: the three months of June and December plus the next three months of December following the Contract Months specified for Short-dated Futures
Minimum Fluctuation	One Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price in whole Index points at which a Hang Seng China Enterprises Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Position delta for Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index



Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time

Large Open Positions 500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and

500 open contracts in any one Contract Month, per Client

Pre-Market Opening Period (Hong Kong time) 8:45 a.m. – 9:15 a.m. and 12:30 p.m. – 1:00 p.m.

Trading Hours (Hong Kong time) 9:15 a.m. – 12:00 noon (morning trading session)  
1:00 p.m. – 4:30 p.m. (afternoon trading session)  
5:15 p.m. – 3:00 a.m. (after-hours trading session)

There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.

There is no after-hours trading session if it is a bank

	holiday in both the United Kingdom and the United States	
Trading Hours on Last Trading Day (Hong Kong time)	9:15 a.m. - 12:00 noon (morning trading session) and 1:00 p.m. – 4:00 p.m. (afternoon trading session)	
	There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year’s Eve or Lunar New Year’s Eve	
Trading Method	The Exchange’s Automated Trading System (HKATS)	
Final Settlement Day	The first Trading Day after the Last Trading Day+	
Settlement Method	Cash (Hong Kong dollar) settled contract for differences	
Last Trading Day	The second last Trading Day of the Contract Month	
Final Settlement Price	The Final Settlement Price for the Hang Seng China Enterprises Index Futures Contracts shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the values of the Hang Seng China Enterprises Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee (per contract per side)	Exchange Fee	HK\$3.50
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Commission Rate	Negotiable	

\* Same as the Hang Seng China Enterprises Index Option Contract

<p>Contract Specifications For Mini-Hang Seng China Enterprises Index (HSCEI) Futures</p>
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The following Contract Specifications shall apply to the Mini-Hang Seng China Enterprises Index Futures Contract\*:-

Underlying Index/Index	Hang Seng China Enterprises Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$10 per Index point
Contract Months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September, and December)
Minimum Fluctuation	One Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price in whole Index points at which a Mini-Hang Seng China Enterprises Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Position delta for Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time

Large Open Positions	2,500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  2,500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	8:45 a.m. – 9:15 a.m. and 12:30 p.m. – 1:00 p.m.
Trading Hours (Hong Kong time)	9:15 a.m. - 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States
Trading Hours on Last Trading Day (Hong Kong time)	9:15 a.m. - 12:00 noon (morning trading session) and 1:00 p.m. – 4:00 p.m. (afternoon trading session)  There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Last Trading Day

Settlement Method	Cash (Hong Kong dollar) settled contract for differences	
Last Trading Day	The second last Trading Day of the Contract Month	
Final Settlement Price	The Final Settlement Price for the Mini-Hang Seng China Enterprises Index Futures Contracts shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the values of the Hang Seng China Enterprises Index compiled, computed and disseminated by Hang Seng Indexes Company Limited taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee (per contract per side)	Exchange Fee	HK\$2.00
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Commission Rate	Negotiable	

\* The Mini-Hang Seng China Enterprises Index Futures Contract and the Hang Seng China Enterprises Index Futures Contract are fungible. Positions in these two Exchange Contracts will be netted automatically (in the case of House and Market Maker accounts) or may be closed out (in the case of Client account) in accordance with the Clearing House Rules

<p>Contract Specifications For Hang Seng China H-Financials Index Futures</p>
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The following Contract Specifications shall apply to the Hang Seng China H-Financials Index Futures Contract:

Underlying Index/Index	Hang Seng China H-Financials Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$50 per Index point
Contract Months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September, and December)
Minimum Fluctuation	One Index point
Maximum Fluctuation	Nil
Contracted Price	The price in whole Index points at which a Hang Seng China H-Financials Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Position delta for Hang Seng China H-Financials Index Futures of 10,000 long or short in all Contract Months combined
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours	9:15 a.m. - 12:00 noon and 1:30 p.m. - 4:15 p.m. (Hong Kong time) (prior to 5 March 2012) 1:00 p.m. - 4:15 p.m. (Hong Kong time) (on or after 5 March 2012)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year.
Trading Hours on Last Trading Day	9:15 a.m. - 12:00 noon and 1:30 p.m. - 4:00 p.m. (Hong Kong time) (prior to 5 March 2012) 1:00 p.m. - 4:00 p.m. (Hong Kong time) (on or after 5 March 2012)

	There shall be no afternoon trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve	
Trading Method	The Exchange's Automated Trading System (HKATS)	
Final Settlement Day	The first Trading Day after the Last Trading Day	
Settlement Method	Cash settled contract for differences	
Last Trading Day	The second last Trading Day of the Contract Month	
Final Settlement Price	The Final Settlement Price for Hang Seng China H-Financials Index Futures Contracts shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of quotations of the Hang Seng China H-Financials Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee (per contract per side)	Exchange Fee	HK\$5.00
	The amount indicated above is subject to change from time to time.	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.	
Commission Rate	Negotiable	

<p>Contract Specifications For HSI Dividend Point Index Futures</p>
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The following Contract Specifications shall apply to the HSI Dividend Point Index Futures Contract:

Underlying Index/Index	HSI Dividend Point Index (the dividend index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$50 per Index point
Contract Months	The three nearest December months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	Nil
Contracted Price	The price in Index points, quoted to two decimal places, at which an HSI Dividend Point Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Nil
Large Open Positions	1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  1,000 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours	9:15 a.m. – 12:00 noon (morning trading session) and 1:00 p.m. – 4:30 p.m. (afternoon trading session) (Hong Kong time)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.
Trading Hours on	9:15 a.m. – 12:00 noon (morning trading session) and



Last Trading Day	1:00 p.m. – 4:30 p.m. (afternoon trading session) (Hong Kong time)
	There shall be no afternoon trading session if the Last Trading Day falls on Christmas Eve, New Year’s Eve or Lunar New Year’s Eve. The trading hours of the morning trading session on such Last Trading Day shall be 9:15 a.m. – 12:30 p.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash settled contract for difference
Last Trading Day	The third last Trading Day of the Contract Month
Final Settlement Price	The Final Settlement Price for HSI Dividend Point Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the final value of the HSI Dividend Point Index compiled, computed and disseminated by Hang Seng Indexes Company Limited taken on the Trading Day following the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">HK\$3.00</span>  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.
Commission Rate	Negotiable

<p>Contract Specifications For HSCEI Dividend Point Index Futures</p>
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The following Contract Specifications shall apply to the HSCEI Dividend Futures Contract:

Underlying Index/Index	HSCEI Dividend Point Index (the dividend index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$50 per Index point
Contract Months	The three nearest December months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	Nil
Contracted Price	The price in Index points, quoted to two decimal places, at which an HSCEI Dividend Point Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Nil
Large Open Positions	1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  1,000 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	Nil
Trading Hours	9:15 a.m. – 12:00 noon (morning trading session) and 1:00 p.m. – 4:30 p.m. (afternoon trading session) (Hong Kong time)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.
Trading Hours	9:15 a.m. – 12:00 noon (morning trading session) and

on Last Trading Day	1:00 p.m. – 4:30 p.m. (afternoon trading session) (Hong Kong time)
	There shall be no afternoon trading session if the Last Trading Day falls on Christmas Eve, New Year’s Eve or Lunar New Year’s Eve. The trading hours of the morning trading session on such Last Trading Day shall be 9:15 a.m. – 12:30 p.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash (Hong Kong dollar) settled contract for difference
Last Trading Day	The third last Trading Day of the Contract Month
Final Settlement Price	The Final Settlement Price for the HSCEI Dividend Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the final value of the HSCEI Dividend Point Index compiled, computed and disseminated by Hang Seng Indexes Company Limited taken on the Trading Day following the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Dividend Futures Contracts to determine the Final Settlement Price under certain circumstances
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">HK\$1.50</span>  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.
Commission Rate	Negotiable

<p>Contract Specifications For HSI Volatility Index (VHSI) Futures</p>
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The following Contract Specifications shall apply to the HSI Volatility Index Futures Contract:

Underlying Index/Index	HSI Volatility Index (the volatility index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$5,000 per Index point
Contract Months	Spot Month, the next two calendar months
Minimum Fluctuation	0.05 Index point
Maximum Fluctuation	Nil
Contracted Price	The price in 0.05 Index point at which an HSI Volatility Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	10,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  10,000 open contracts, in any one Contract Month, per Client
Large Open Positions	1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  1,000 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours	9:30 a.m. – 12:00 noon (morning trading session) and 1:00 p.m. – 4:30 p.m. (afternoon trading session) (Hong Kong time)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:30 a.m. – 12:30 p.m.
Trading Hours on Last Trading Day	9:30 a.m. – 12:00 noon (morning trading session) and 1:00 p.m. – 4:00 p.m. (afternoon trading session) (Hong Kong time)  There shall be no afternoon trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve

Trading Method	The Exchange's Automated Trading System (HKATS)	
Final Settlement Day	The first Trading Day after the Last Trading Day of the Contract Month	
Settlement Method	Cash (Hong Kong dollar) settled contract for difference	
Last Trading Day	30 calendar days prior to the second last Trading Day of the calendar month immediately following the Contract Month. If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day	
Final Settlement Price	The Final Settlement Price for HSI Volatility Index Futures Contracts shall be a number, rounded down to the nearest two (2) decimal places, determined by the Clearing House and shall be the average of quotations of the HSI Volatility Index compiled, computed and disseminated by Hang Seng Indexes Company Limited taken at (i) one (1) minute intervals between 3:30 p.m. and up to 4:00 p.m. on the Last Trading Day; or (ii) one (1) minute intervals between 11:30 a.m. and up to 12:00 noon on the Last Trading Day which falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee (per contract per side)	Exchange Fee	HK\$10.00
	The amount indicated above is subject to change from time to time.	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.	
Commission Rate	Negotiable	

**Note:**

*HSI Volatility Index (the "Index") is published by Hang Seng Indexes Company Limited ("HSIL"), which has contracted with Standard & Poor's Financial Services LLC ("S&P") to maintain and calculate the Index. "Standard & Poor's" and "S&P" are trademarks of S&P and have been licensed for use by HSIL. "VIX®" is a trademark of Chicago Board Options Exchange, Incorporated ("CBOE") and S&P has granted a license to HSIL, with permission from CBOE, to use such mark for purposes relating to the Index. The Index is not owned, sponsored, endorsed or promoted by S&P or CBOE and neither S&P nor CBOE makes any representation regarding the advisability of investing in products that are based on such Index or otherwise relying on such Index for any purposes and neither S&P, CBOE nor HSIL shall have any liability for any errors or omissions in the Index or any values thereof.*

<p>Contract Specifications For CES China 120 Index Futures</p>
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The following Contract Specifications shall apply to the CES China 120 Index Futures Contract:

Underlying Index/Index	CES China 120 Index (the share price index of that name compiled, computed and disseminated by China Exchanges Services Company Limited)
Contract Multiplier	HK\$50 per Index point
Contract Months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.5 Index point
Maximum Fluctuation	Nil
Contracted Price	The price at which a CES China 120 Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>30,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>30,000 net contracts long or short across all Contract Months, per Client</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date</p>
Large Open Positions	<p>1,500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>1,500 open contracts, in any one Contract Month, per Client</p>

Trading Hours	<p>9:15 a.m. – 12:00 noon (morning trading session) and  1:00 p.m. – 4:30 p.m. (afternoon trading session) (Hong Kong time)</p> <p>There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p>
Trading Hours on Last Trading Day	<p>9:15 a.m. – 12:00 noon (morning trading session) and  1:00 p.m. – 3:00 p.m. (afternoon trading session) (Hong Kong time)</p> <p>There shall be no afternoon trading session if the Last Trading Day falls on Christmas Eve, New Year’s Eve or Lunar New Year’s Eve.</p>
Trading Method	The Exchange’s Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Last Trading Day
Settlement Method	Cash (Hong Kong dollar) settled contract for difference
Last Trading Day	<p>The second last Trading Day of the Contract Month</p> <p>If it falls on a Mainland China public holiday, the Last Trading Day will be the preceding Trading Day which is also a business day in Mainland China</p>
Final Settlement Price	<p>The Final Settlement Price for CES China 120 Index Futures Contracts shall be a number, rounded up to the nearest 1 decimal place if the figure in the second decimal place is 5 or above and rounded down to the nearest 1 decimal place if it is below 5, determined by the Clearing House and shall be the average of the values of the CES China 120 Index compiled, computed and disseminated by China Exchanges Services Company Limited taken at five (5) minute intervals between 1:00 p.m. up to 3:00 p.m. on the Last Trading Day</p> <p>The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances</p>
Trading Fee (per contract per side)	Exchange Fee                      HK\$10.00

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable



<p>Contract Specifications For Hang Seng Mainland Banks Index Futures</p>
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The Hang Seng Mainland Banks Index Futures Contracts are Stock Index Futures Contracts which are governed by the Regulations for trading Stock Index Futures. Capitalised terms used herein which are not defined shall have the meaning ascribed to them in the Regulations for trading Stock Index Futures.

The following Contract Specifications shall apply to the Stock Index Futures Contracts which are Hang Seng Mainland Banks Index Futures Contracts:

Underlying Index/Index	Hang Seng Mainland Banks Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$50 per Index point
Contract Months	Spot Month, the next calendar month, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.5 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a Stock Index Futures Contract which is a Hang Seng Mainland Banks Index Futures Contract is registered by the Clearing House
Contracted Value	The Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>15,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>15,000 net contracts long or short across all Contract Months, per Client</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong Time)	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.
Trading Hours on Last Trading Day (Hong Kong Time)	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session)  There shall be no afternoon trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Last Trading Day
Settlement Method	Cash settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month
Final Settlement Price	The Final Settlement Price for Stock Index Futures Contracts which are Hang Seng Mainland Banks Index Futures Contracts shall be a number, rounded up to the nearest 1 decimal place if the figure in the second decimal place is 5 or above and rounded down to the nearest 1 decimal place if it is below 5, determined by the Clearing House and shall be the average of the values of the Hang Seng Mainland Banks Index compiled, computed and disseminated by Hang Seng Indexes Company Limited taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to

determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee      HK\$2.00

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI AC Asia ex Japan Net Total Return Index Futures</p>
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The following Contract Specifications shall apply to the MSCI AC Asia ex Japan Net Total Return Index Futures Contract:

Underlying Index/Index	MSCI AC Asia ex Japan Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	The nearest five calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI AC Asia ex Japan Net Total Return Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>110,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>110,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>
Large Open Positions	500 open contracts, in any one Contract Month, per

	Exchange Participant for the Exchange Participant's own behalf; and
	500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)
	There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI AC Asia ex Japan Net Total Return Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI AC Asia ex Japan Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI AC Asia ex Japan Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI AC Asia ex Japan Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.
	Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations

for Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.50

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Australia Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Australia Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Australia Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Australia Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>21,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>21,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>
Large Open Positions	500 open contracts, in any one Contract Month, per

	Exchange Participant for the Exchange Participant's own behalf; and
	500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)
	There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 2:12 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Australia Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Australia Net Total Return Index on third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Australia Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Australia Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.
	Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to



determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI China A 50 Connect (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI China A 50 Connect (USD) Index Futures Contract:

Underlying Index/Index	MSCI China A 50 Connect Index (the CNH index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$25 per Index point
Contract Months	Spot Month, the next calendar month, and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.2 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI China A 50 Connect (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	28,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  28,000 net contracts long or short across all Contract Months, per Client  For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	8:45 a.m. – 9:00 a.m.
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)

	There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 3:00 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month. If it is not a Trading Day or it falls on a Mainland China public holiday, the Last Trading Day shall be the preceding Trading Day which is also a business day in Mainland China
Final Settlement Price	<p>The Final Settlement Price for MSCI China A 50 Connect (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI China A 50 Connect Index compiled, computed and disseminated by MSCI Limited taken at (i) fifteen (15) second intervals during the last two (2) hours of trading on the Shanghai Stock Exchange and Shenzhen Stock Exchange before the end of the continuous trading sessions, and (ii) the closing index value on the Last Trading Day</p> <p>Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances</p>
Trading Fee (per contract per side)	<p>Exchange Fee            US\$1.00</p> <p>The amount indicated above is subject to change from time to time</p>
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p>Contract Specifications For MSCI China (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI China (USD) Index Futures Contract:

Underlying Index/Index	MSCI China Index (the USD index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$500 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.02 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI China (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>35,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>35,000 net contracts long or short across all Contract Months, per Client</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date</p>
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and

	500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)
	There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month, provided that it is a common business day on which all component stocks of the index are open for trading. If the Last Trading Day is not a common business day, the Last Trading Day shall be the preceding Trading Day which is a common business day
Final Settlement Price	The Final Settlement Price for MSCI China (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI China Index on the Last Trading Day of the Contract Month. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">US\$1.00</span>  The amount indicated above is subject to change from time to time
Levies	Commission Levy and Investor Compensation

(per contract per side)

Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate

Negotiable

<p>Contract Specifications For MSCI China Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI China Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI China Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$50 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI China Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>53,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>53,000 net contracts long or short across all Contract Months, per Client</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date</p>
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and

	500 open contracts, in any one Contract Month, per Client	
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)	
	There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year	
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.	
Trading Method	The Exchange's Automated Trading System (HKATS)	
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined	
Settlement Method	Cash (U.S. dollar) settled contract for difference	
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day	
Final Settlement Price	The Final Settlement Price for MSCI China Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI China Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI China Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI China Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month	
	Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee	Exchange Fee	US\$0.60



(per contract per side)

The amount indicated above is subject to change from time to time

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Emerging Markets (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Emerging Markets (USD) Index Futures Contract:

Underlying Index/Index	MSCI Emerging Markets Index (the USD index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$50 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Emerging Markets (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>110,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>110,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Emerging Markets (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Emerging Markets Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Emerging Markets Index, the final Unexpected Market Closure Index level of the MSCI Emerging Markets Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to

determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Emerging Markets Asia ex China Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Emerging Markets Asia ex China Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Emerging Markets Asia ex China Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$20 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Emerging Markets Asia ex China Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	37,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  37,000 net contracts long or short across all Contract Months, per Client.  For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Emerging Markets Asia ex China Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Emerging Markets Asia ex China Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Emerging Markets Asia ex China Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Emerging Markets Asia ex China Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Emerging Markets Asia ex Korea Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Emerging Markets Asia ex Korea Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Emerging Markets Asia ex Korea Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$20 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Emerging Markets Asia ex Korea Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>90,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>90,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>



Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Emerging Markets Asia ex Korea Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Emerging Markets Asia ex Korea Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Emerging Markets Asia ex Korea Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Emerging Markets Asia ex Korea Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Emerging Markets Asia Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Emerging Markets Asia Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Emerging Markets Asia Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Emerging Markets Asia Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>110,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>110,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Emerging Markets Asia Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Emerging Markets Asia Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Emerging Markets Asia Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Emerging Markets Asia Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Emerging Markets EMEA Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Emerging Markets EMEA Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Emerging Markets EMEA Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Emerging Markets EMEA Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	61,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  61,000 net contracts long or short across all Contract Months, per Client.  For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Emerging Markets EMEA Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Emerging Markets EMEA Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Emerging Markets EMEA Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Emerging Markets EMEA Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of

the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable



<p>Contract Specifications For MSCI Emerging Markets ex China Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Emerging Markets ex China Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Emerging Markets ex China Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Emerging Markets ex China Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>110,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>110,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Emerging Markets ex China Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Emerging Markets ex China Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Emerging Markets ex China Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Emerging Markets ex China Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of

the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Emerging Markets ex Korea Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Emerging Markets ex Korea Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Emerging Markets ex Korea Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Emerging Markets ex Korea Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>110,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>110,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Emerging Markets ex Korea Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Emerging Markets ex Korea Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Emerging Markets ex Korea Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Emerging Markets ex Korea Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of

the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Emerging Markets Latin America Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Emerging Markets Latin America Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Emerging Markets Latin America Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Emerging Markets Latin America Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>24,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>24,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Emerging Markets Latin America Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Emerging Markets Latin America Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Emerging Markets Latin America Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Emerging Markets Latin America Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.



Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Emerging Markets Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Emerging Markets Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Emerging Markets Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Emerging Markets Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>110,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>110,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Emerging Markets Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Emerging Markets Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Emerging Markets Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Emerging Markets Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Hong Kong Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Hong Kong Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Hong Kong Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$1 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Hong Kong Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	8,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  8,000 net contracts long or short across all Contract Months, per Client.  For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Hong Kong Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 1 decimal place if the figure in the second decimal place is 5 or above and rounded down to the nearest 1 decimal place if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Hong Kong Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Hong Kong Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Hong Kong Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations

for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI India (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI India (USD) Index Futures Contract:

Underlying Index/Index	MSCI India Index (the INR index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$20 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.05 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI India (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>37,500 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>37,500 net contracts long or short across all Contract Months, per Client</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date</p>



Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The last Thursday of the Contract Month and if it is not a Trading Day or not a business day in India, the Last Trading Day will be the preceding Trading Day which is also a business day in India
Final Settlement Price	The Final Settlement Price for MSCI India (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI India Index on the Last Trading Day of the Contract Month. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">US\$1.00</span>  The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy  
are payable at the rate or of the amount prescribed  
from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI India Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI India Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI India Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI India Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>20,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>20,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI India Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI India Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI India Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI India Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to

determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Indonesia (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Indonesia (USD) Index Futures Contract:

Underlying Index/Index	MSCI Indonesia Index (the IDR index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$2 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	5 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Indonesia (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>10,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>10,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 5:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month. If the Last Trading Day falls on an Indonesia public holiday, the Last Trading Day will be the preceding Trading Day which is also a business day in Indonesia
Final Settlement Price	The Final Settlement Price for MSCI Indonesia (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI Indonesia Index compiled, computed and disseminated by MSCI Limited taken at (i) one (1) minute intervals during the last thirty (30) minutes of trading on the Indonesia Stock Exchange before the end of the continuous trading session, and (ii) the closing index value on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain

circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$1.00

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable



<p>Contract Specifications For MSCI Indonesia Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Indonesia Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Indonesia Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Indonesia Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>10,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>10,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 5:15 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Indonesia Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Indonesia Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Indonesia Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Indonesia Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations

for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Japan Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Japan Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Japan Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Japan Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	58,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  58,000 net contracts long or short across all Contract Months, per Client.  For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 2:00 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Japan Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Japan Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Japan Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Japan Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to

determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Malaysia (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Malaysia (USD) Index Futures Contract:

Underlying Index/Index	MSCI Malaysia Index (the MYR index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$20 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.25 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Malaysia (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>11,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>11,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 5:15 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The last Trading Day of the Contract Month. If the Last Trading Day falls on a Malaysia public holiday, the Last Trading Day will be the preceding Trading Day which is also a business day in Malaysia
Final Settlement Price	The Final Settlement Price for MSCI Malaysia (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI Malaysia Index compiled, computed and disseminated by MSCI Limited taken at (i) one (1) minute intervals during the last sixty (60) minutes of trading on the Bursa Malaysia Berhad before the end of the continuous trading session, and (ii) the closing index value on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.



Trading Fee  
(per contract per side)

Exchange Fee

US\$1.00

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Malaysia Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Malaysia Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Malaysia Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Malaysia Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>5,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>5,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 5:00 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Malaysia Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Malaysia Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Malaysia Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Malaysia Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations

for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI New Zealand Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI New Zealand Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI New Zealand Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI New Zealand Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	3,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  3,000 net contracts long or short across all Contract Months, per Client.  For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 1:00 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI New Zealand Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI New Zealand Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI New Zealand Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI New Zealand Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of

the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Pacific ex Japan Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Pacific ex Japan Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Pacific ex Japan Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Pacific ex Japan Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>17,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>17,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>



Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Pacific ex Japan Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Pacific ex Japan Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Pacific ex Japan Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Pacific ex Japan Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of

the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Pacific Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Pacific Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Pacific Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Pacific Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	78,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  78,000 net contracts long or short across all Contract Months, per Client.  For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Pacific Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Pacific Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Pacific Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Pacific Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations

for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Philippines (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Philippines (USD) Index Futures Contract:

Underlying Index/Index	MSCI Philippines Index (the PHP index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Philippines (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>10,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>10,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 3:45 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month. If the Last Trading Day falls on a Philippines public holiday, the Last Trading Day will be the preceding Trading Day which is also a business day in Philippines
Final Settlement Price	The Final Settlement Price for MSCI Philippines (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Philippines Index on the Last Trading Day of the Contract Month. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">US\$1.00</span>  The amount indicated above is subject to change

from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable



<p>Contract Specifications For MSCI Philippines Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Philippines Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Philippines Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$50 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Philippines Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>3,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>3,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 3:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Philippines Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Philippines Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Philippines Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Philippines Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations

for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Singapore Free (SGD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Singapore Free (SGD) Index Futures Contract:

Underlying Index/Index	MSCI Singapore Free Index (the SGD index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	Singapore dollars
Contract Multiplier	SGD100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.05 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Singapore Free (SGD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>25,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>25,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 5:20 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (Singapore dollar) settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month. If the Last Trading Day falls on a Singapore public holiday, the Last Trading Day will be the preceding Trading Day which is also a business day in Singapore
Final Settlement Price	The Final Settlement Price for MSCI Singapore Free (SGD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Singapore Free Index on the Last Trading Day of the Contract Month. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.
Trading Fee (per contract per side)	Exchange Fee  SGD1.40

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Singapore Free Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Singapore Free Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Singapore Free Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$50 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Singapore Free Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	20,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  20,000 net contracts long or short across all Contract Months, per Client.  For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Singapore Free Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Singapore Free Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Singapore Free Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Singapore Free Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of



the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Singapore Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Singapore Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Singapore Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$5 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Singapore Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>20,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>20,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Singapore Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Singapore Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Singapore Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Singapore Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations

for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Taiwan (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Taiwan (USD) Index Futures Contract:

Underlying Index/Index	MSCI Taiwan Index (the TWD index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Taiwan (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>Position delta for MSCI Taiwan (USD) Index Futures and MSCI Taiwan (USD) Index Options combined of 20,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>Position delta for MSCI Taiwan (USD) Index Futures and MSCI Taiwan (USD) Index Options combined of 20,000 long or short in all Contract Months combined, per Client</p>
Large Open Positions	<p>500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>500 open contracts, in any one Contract Month, per Client</p>

Pre-Market Opening Period (Hong Kong time)	8:30 a.m. – 8:45 a.m.	
Trading Hours (Hong Kong time)	8:45 a.m. – 1:45 p.m. (day trading session) 2:30 p.m. – 3:00 a.m. (after-hours trading session)	
		There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	8:45 a.m. – 1:45 p.m.	
Trading Method	The Exchange's Automated Trading System (HKATS)	
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined	
Settlement Method	Cash (U.S. dollar) settled contract for difference	
Last Trading Day	The second last Trading Day of the Contract Month. If the Last Trading Day falls on a Taiwan public holiday, the Last Trading Day will be the preceding Trading Day which is also a business day in Taiwan	
Final Settlement Price	The Final Settlement Price for MSCI Taiwan (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI Taiwan Index compiled, computed and disseminated by MSCI Limited taken at (i) one (1) minute intervals during the last twenty five (25) minutes of trading on the Taiwan Stock Exchange Corporation before the end of the continuous trading session, and (ii) the closing index value on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee (per contract per side)	Exchange Fee	US\$1.00

The amount indicated above is subject to change from time to time

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Taiwan Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Taiwan Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Taiwan Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Taiwan Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>20,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>20,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>



Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	8:30 a.m. – 8:45 a.m.
Trading Hours (Hong Kong time)	8:45 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	8:45 a.m. – 1:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Taiwan Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Taiwan Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Taiwan Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Taiwan Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Taiwan 25/50 (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Taiwan 25/50 (USD) Index Futures Contract:

Underlying Index/Index	MSCI Taiwan 25/50 Index (the TWD index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$50 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Taiwan 25/50 (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>13,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>13,000 net contracts long or short across all Contract Months, per Client</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	8:30 a.m. – 8:45 a.m.
Trading Hours (Hong Kong time)	8:45 a.m. – 1:45 p.m. (day trading session) 2:30 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	8:45 a.m. – 1:45 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month. If the Last Trading Day falls on a Taiwan public holiday, the Last Trading Day will be the preceding Trading Day which is also a business day in Taiwan
Final Settlement Price	The Final Settlement Price for MSCI Taiwan 25/50 (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI Taiwan 25/50 Index compiled, computed and disseminated by MSCI Limited taken at (i) one (1) minute intervals during the last twenty five (25) minutes of trading on the Taiwan Stock Exchange Corporation before the end of the continuous trading session, and (ii) the closing index value on the Last Trading Day. The Chief Executive of the Exchange has the power

under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances

Trading Fee  
(per contract per side)

Exchange Fee

US\$1.00

The amount indicated above is subject to change from time to time

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Taiwan 25/50 Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Taiwan 25/50 Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Taiwan 25/50 Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Taiwan 25/50 Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	29,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  29,000 net contracts long or short across all Contract Months, per Client.  For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	8:30 a.m. – 8:45 a.m.
Trading Hours (Hong Kong time)	8:45 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	8:45 a.m. – 1:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Taiwan 25/50 Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Taiwan 25/50 Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Taiwan 25/50 Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Taiwan 25/50 Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.

Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable



<p>Contract Specifications For MSCI Thailand (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Thailand (USD) Index Futures Contract:

Underlying Index/Index	MSCI Thailand Index (the THB index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$20 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.25 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Thailand (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>28,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>28,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:15 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month. If the Last Trading Day falls on a Thailand public holiday, the Last Trading Day will be the preceding Trading Day which is also a business day in Thailand
Final Settlement Price	The Final Settlement Price for MSCI Thailand (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI Thailand Index compiled, computed and disseminated by MSCI Limited taken at (i) one (1) minute intervals during the last fifteen (15) minutes of trading on the Stock Exchange of Thailand before the end of the continuous trading session, and (ii) the closing index value on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee

US\$1.00

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Thailand Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Thailand Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Thailand Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$10 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Thailand Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>24,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>24,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 6:00 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Thailand Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Thailand Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Thailand Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Thailand Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations

for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Vietnam (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Vietnam (USD) Index Futures Contract:

Underlying Index/Index	MSCI Vietnam Index (the VND index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$20 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Vietnam (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>5,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>5,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:15 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month. If the Last Trading Day falls on a Vietnam public holiday, the Last Trading Day will be the preceding Trading Day which is also a business day in Vietnam
Final Settlement Price	The Final Settlement Price for MSCI Vietnam (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Vietnam Index on the Last Trading Day of the Contract Month. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">US\$1.00</span>  The amount indicated above is subject to change from time to time.



Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy  
are payable at the rate or of the amount prescribed  
from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Vietnam Net Total Return (USD) Index Futures</p>
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The following Contract Specifications shall apply to the MSCI Vietnam Net Total Return (USD) Index Futures Contract:

Underlying Index/Index	MSCI Vietnam Net Total Return Index (the USD net total return index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$50 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.001 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Vietnam Net Total Return (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>3,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>3,000 net contracts long or short across all Contract Months, per Client.</p> <p>For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date.</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	9:00 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States or on the eve of New Year
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:00 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The third Friday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the preceding Trading Day
Final Settlement Price	The Final Settlement Price for MSCI Vietnam Net Total Return (USD) Index Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the official closing value of the MSCI Vietnam Net Total Return Index on the third Friday of the Contract Month or, if MSCI Limited announces that there is an unexpected market closure event relating to the MSCI Vietnam Net Total Return Index, the final Unexpected Market Closure Index level of the MSCI Vietnam Net Total Return Index published by MSCI Limited after the third Friday of the Contract Month.  Notwithstanding the above, the Chief Executive of the Exchange has the power under the Regulations

for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.

Trading Fee  
(per contract per side)

Exchange Fee US\$0.60

The amount indicated above is subject to change from time to time.

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate

Negotiable

<p>Contract Specifications For Hang Seng Index (Gross Total Return Index) Futures</p>
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The following Contract Specifications shall apply to the Hang Seng Index (Gross Total Return Index) Futures Contract:

Underlying Index/Index	Hang Seng Index (Gross Total Return Index) (the gross total return index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$50 per Index point
Contract Months	For Short-dated Futures: Spot Month, the next calendar month and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)  For Long-dated Futures: The two calendar months of December following the Contract Months specified for Short-dated Futures
Minimum Fluctuation	0.1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price in Index points, quoted to one decimal place, at which a Hang Seng Index (Gross Total Return Index) Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Position delta for Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option

Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time

Large Open Positions

500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and

500 open contracts, in any one Contract Month, per Client

Trading Hours  
(Hong Kong time)

9:15 a.m. – 12:00 noon (morning trading session)  
1:00 p.m. – 4:30 p.m. (afternoon trading session)  
5:15 p.m. – 3:00 a.m. (after-hours trading session)

There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.

There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States

Trading Hours on  
Last Trading Day

9:15 a.m. – 12:00 noon (morning trading session)  
and

(Hong Kong time)	1:00 p.m. – 4:00 p.m. (afternoon trading session)
	There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year’s Eve or Lunar New Year’s Eve
Trading Method	The Exchange’s Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Last Trading Day
Settlement Method	Cash settled contract for difference
Last Trading Day	The second last Trading Day of the Contract Month
Final Settlement Price	The Final Settlement Price for Hang Seng Index (Gross Total Return Index) Futures Contracts shall be a number, rounded up to the nearest 1 decimal place if the figure in the second decimal place is 5 or above and rounded down to the nearest 1 decimal place if it is below 5, determined by the Clearing House and shall be the average of quotations of the Hang Seng Index (Gross Total Return Index) compiled, computed and disseminated by Hang Seng Indexes Company Limited taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">HK\$30.00</span>  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p>Contract Specifications For Hang Seng Index (Net Total Return Index) Futures</p>
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The following Contract Specifications shall apply to the Hang Seng Index (Net Total Return Index) Futures Contract:

Underlying Index/Index	Hang Seng Index (Net Total Return Index) (the net total return index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$50 per Index point
Contract Months	<p>For Short-dated Futures: Spot Month, the next calendar month and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)</p> <p>For Long-dated Futures: The two calendar months of December following the Contract Months specified for Short-dated Futures</p>
Minimum Fluctuation	0.1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price in Index points, quoted to one decimal place, at which a Hang Seng Index (Net Total Return Index) Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Position delta for Hang Seng Index (Net Total Return Index) Futures, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the



position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng Index (Net Total Return Index) Futures, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time

Large Open Positions 500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and

500 open contracts, in any one Contract Month, per Client

Trading Hours (Hong Kong time) 9:15 a.m. – 12:00 noon (morning trading session)  
1:00 p.m. – 4:30 p.m. (afternoon trading session)  
5:15 p.m. – 3:00 a.m. (after-hours trading session)

There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.

There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States

Trading Hours on Last Trading Day (Hong Kong time) 9:15 a.m. – 12:00 noon (morning trading session) and  
1:00 p.m. – 4:00 p.m. (afternoon trading session)

	There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve	
Trading Method	The Exchange's Automated Trading System (HKATS)	
Final Settlement Day	The first Trading Day after the Last Trading Day	
Settlement Method	Cash settled contract for difference	
Last Trading Day	The second last Trading Day of the Contract Month	
Final Settlement Price	The Final Settlement Price for Hang Seng Index (Net Total Return Index) Futures Contracts shall be a number, rounded up to the nearest 1 decimal place if the figure in the second decimal place is 5 or above and rounded down to the nearest 1 decimal place if it is below 5, determined by the Clearing House and shall be the average of quotations of the Hang Seng Index (Net Total Return Index) compiled, computed and disseminated by Hang Seng Indexes Company Limited taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee (per contract per side)	Exchange Fee	HK\$30.00
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Commission Rate	Negotiable	

<p>Contract Specifications For Hang Seng China Enterprises Index (Gross Total Return Index) Futures</p>
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The following Contract Specifications shall apply to the Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract:

Underlying Index/Index	Hang Seng China Enterprises Index (Gross Total Return Index) (the gross total return index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$50 per Index point
Contract Months	For Short-dated Futures: Spot Month, the next calendar month and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)  For Long-dated Futures: The two calendar months of December following the Contract Months specified for Short-dated Futures
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price in Index points, quoted to two decimal places, at which a Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Position delta for Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one

Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time

Large Open Positions

500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and

500 open contracts, in any one Contract Month, per Client

Trading Hours  
(Hong Kong time)

9:15 a.m. – 12:00 noon (morning trading session)  
1:00 p.m. – 4:30 p.m. (afternoon trading session)  
5:15 p.m. – 3:00 a.m. (after-hours trading session)

	<p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p>	
	<p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>	
Trading Hours on Last Trading Day (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) and 1:00 p.m. – 4:00 p.m. (afternoon trading session)</p>	
	<p>There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year’s Eve or Lunar New Year’s Eve</p>	
Trading Method	<p>The Exchange’s Automated Trading System (HKATS)</p>	
Final Settlement Day	<p>The first Trading Day after the Last Trading Day</p>	
Settlement Method	<p>Cash settled contract for difference</p>	
Last Trading Day	<p>The second last Trading Day of the Contract Month</p>	
Final Settlement Price	<p>The Final Settlement Price for Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the Hang Seng China Enterprises Index (Gross Total Return Index) compiled, computed and disseminated by Hang Seng Indexes Company Limited taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances</p>	
Trading Fee (per contract per side)	Exchange Fee	HK\$10.00
	<p>The amount indicated above is subject to change from time to time</p>	

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy  
are payable at the rate or of the amount prescribed  
from time to time pursuant to the Ordinance

Commission Rate

Negotiable

<p>Contract Specifications For Hang Seng China Enterprises Index (Net Total Return Index) Futures</p>
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The following Contract Specifications shall apply to the Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract:

Underlying Index/Index	Hang Seng China Enterprises Index (Net Total Return Index) (the net total return index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)
Contract Multiplier	HK\$50 per Index point
Contract Months	For Short-dated Futures: Spot Month, the next calendar month and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)  For Long-dated Futures: The two calendar months of December following the Contract Months specified for Short-dated Futures
Minimum Fluctuation	0.01 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price in Index points, quoted to two decimal places, at which a Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Position delta for Hang Seng China Enterprises Index (Net Total Return Index) Futures, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one

Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng China Enterprises Index (Net Total Return Index) Futures, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time

Large Open Positions

500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and

500 open contracts, in any one Contract Month, per Client

Trading Hours  
(Hong Kong time)

9:15 a.m. – 12:00 noon (morning trading session)  
1:00 p.m. – 4:30 p.m. (afternoon trading session)  
5:15 p.m. – 3:00 a.m. (after-hours trading session)



There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.

There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States

Trading Hours on Last Trading Day (Hong Kong time)

9:15 a.m. – 12:00 noon (morning trading session) and  
1:00 p.m. – 4:00 p.m. (afternoon trading session)

There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve

Trading Method

The Exchange's Automated Trading System (HKATS)

Final Settlement Day

The first Trading Day after the Last Trading Day

Settlement Method

Cash settled contract for difference

Last Trading Day

The second last Trading Day of the Contract Month

Final Settlement Price

The Final Settlement Price for Hang Seng China Enterprises Index (Net Total Return Index) Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the Hang Seng China Enterprises Index (Net Total Return Index) compiled, computed and disseminated by Hang Seng Indexes Company Limited taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances

Trading Fee (per contract per side)

Exchange Fee HK\$10.00

The amount indicated above is subject to change from time to time

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy  
are payable at the rate or of the amount prescribed  
from time to time pursuant to the Ordinance

Commission Rate

Negotiable

<p>Contract Specifications For Hang Seng TECH Index Futures</p>
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The following Contract Specifications shall apply to the Hang Seng TECH Index Futures Contract:

Underlying Index/Index	Hang Seng TECH Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$50 per Index point*
Contract Months	<p>For Short-dated Futures: Spot Month, the next three calendar months and the next three calendar quarter months (i.e. quarterly months are March, June, September and December)</p> <p>For Long-dated Futures: the three months of June and December following the Contract Months specified for Short-dated Futures</p>
Minimum Fluctuation	One Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price in whole Index points at which a Hang Seng TECH Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	<p>Position delta for Hang Seng TECH Index Futures, Hang Seng TECH Index Options, Hang Seng TECH Index Futures Options and Weekly Hang Seng TECH Index Options combined of 21,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>Position delta for Hang Seng TECH Index Futures, Hang Seng TECH Index Options, Hang Seng TECH Index Futures Options and Weekly Hang Seng TECH Index Options combined of 21,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client</p>

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	8:45 a.m. – 9:15 a.m. and 12:30 p.m. – 1:00 p.m.
Trading Hours (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States
Trading Hours on Last Trading Day (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) and 1:00 p.m. – 4:00 p.m. (afternoon trading session)  There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The first Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Last Trading Day	The second last Trading Day of the Contract Month
Final Settlement Price	The Final Settlement Price for Hang Seng TECH Index Futures Contracts shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of quotations of the Hang Seng TECH Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances

Trading Fee (per contract per side)	Exchange Fee	HK\$5.00
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Commission Rate	Negotiable	

\* Same as the Hang Seng TECH Index Option Contract.

## REGULATIONS FOR TRADING STOCK INDEX FUTURES CONTRACTS

### INTERPRETATION

001 These Regulations may be cited as the Regulations for trading Stock Index Futures (hereinafter referred to as the “Regulations”).

002 The Exchange Rules and the Clearing House Rules (referred to collectively as the “Rules”) including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

“Cash Settlement Value” the Final Settlement Price multiplied by the Contract Multiplier;

“Closing Quotation” the quotation established by the Clearing House at the end of a trading session for any Stock Index Futures Contract according to the applicable procedures as prescribed by the Clearing House from time to time;

“Contract Month” the month and year by which that contract is so designated by the Exchange Board for cash settlement under these Regulations and in which cash settlement of that contract must be made in accordance with these Regulations;

“Contract Multiplier” the cash value of one Index point or as otherwise specified by the Exchange from time to time and provided for in the Contract Specifications;

“Contracted Price” the price at which a Stock Index Futures Contract is registered by the Clearing House;

“Contracted Value” the Contracted Price multiplied by the Contract Multiplier;

“Final Settlement Day” the Final Settlement Day as specified from time to time in the Contract Specifications of the relevant Stock Index Futures Contract;

“Last Trading Day”	the Last Trading Day as specified from time to time in the Contract Specifications of the relevant Stock Index Futures Contract;
“Long-dated Futures”	Stock Index Futures with Contract Months for Long-dated Futures as specified in the Contract Specifications;
“Maximum Fluctuation”	the maximum allowable movement in the price of any Stock Index Futures Contract per trading session above or below the last Closing Quotation or such reference price as may be specified by the Exchange from time to time ;
“Minimum Fluctuation”	the minimum allowable movement in the price of any Stock Index Futures Contract as specified in the Contract Specifications;
“Short-dated Futures”	Stock Index Futures with Contract Months for Short-dated Futures as specified in the Contract Specifications;
“Spot Month Futures Contract” and “Spot Month”	in a given month: (i) on day(s) prior to and on the Last Trading Day of that month, a Spot Month Stock Index Futures Contract refers to a Stock Index Futures Contract with a Last Trading Day in that same given month; and (ii) on the day after the Last Trading Day of that month, a Spot Month Stock Index Futures Contract refers to a Stock Index Futures Contract with a Last Trading Day in the immediately following month; and Spot Month shall be construed accordingly;
“Stock Index” or “Index”	an index (including sub-index) that indicates the relative level of prices, value or dividend of a number of stocks whose inclusion and relative representation in the index are determined by reference to certain factors including the current market prices of the stocks and their market capitalisation or an index (including sub-index) that indicates the relative level of volatilities implied by a range of index options contracts;
“Stock Index Futures Contract”	an Exchange Contract subject to these Regulations; and

“Stock Index Futures Market” a Market subject to these Regulations.

## **STOCK INDEX**

003 The method of compilation, computation and dissemination of the Stock Index must have been previously approved by the Exchange and the Commission; the level of the Stock Index must be regularly and broadly disseminated by a person approved by the Exchange and the Commission; and the underlying shares of a Stock Index must reflect a stock market, stock markets or a segment of a stock market, as the case may be, approved by the Exchange and the Commission.

## **CONTRACT SPECIFICATIONS**

004 The terms and conditions for each Stock Index Futures Contract shall include, among other things:-

- (a) Underlying Index;
- (b) Contract Multiplier;
- (c) Contract Months;
- (d) Minimum Fluctuation;
- (e) Maximum Fluctuation;
- (f) Position Limits;
- (g) Large Open Positions;
- (h) Trading Hours;
- (i) Trading Method;
- (j) Final Settlement Day;
- (k) Last Trading Day;
- (l) Final Settlement Price;
- (m) Settlement Currency; and
- (n) Commission Rate.

005 Contract Specifications for Stock Index Futures Contracts may be changed from time to time by the Exchange Board in consultation with the Commission. Exchange Participants shall be given notice of a change in the Contract Specifications prior to implementation of the change.

## **TRADING**

006 Bids and offers for Stock Index Futures Contracts shall be expressed in multiples of the Minimum Fluctuation. The Minimum Fluctuation shall be as prescribed in the Contract Specifications from time to time.

007 Trading in the Stock Index Futures Markets shall be carried out through HKATS in accordance with the Rules of the Exchange, these Regulations and the applicable Procedures.



- 008 The Stock Index Futures Market shall be open for trading in Stock Index Futures Contracts on every Trading Day subject to the Exchange Rules. Trading hours shall be as prescribed by the Exchange Board from time to time.
- 009 Subject to the Exchange Rules, trading in Stock Index Futures Contracts shall cease at the close of trading hours on the applicable Last Trading Day or at such other times as specified by the Exchange Board.
- 010 All disputes as to bids, offers, acceptances or withdrawals during trading sessions shall be governed by the Exchange Rules.

#### **FINAL SETTLEMENT PRICE**

- 011 The Exchange shall, in conjunction with the Clearing House, announce the Final Settlement Price as soon as practicable after it has been determined.
- 012 The Final Settlement Price of a Stock Index Futures Contract shall be a number determined by the Clearing House in accordance with the Contract Specifications.
- 013 If, in the opinion of the Chief Executive, circumstances are developing or have developed which are capable of preventing the calculation of a Final Settlement Price, or which may render a Final Settlement Price unrepresentative of the level of prices at which underlying shares are traded on the Last Trading Day on the stock exchange(s) on which such underlying shares are traded, of the cumulated dividends of such underlying shares on the Trading Day following the Last Trading Day or of the 30-day implied volatility of the underlying options on the Last Trading Day, then the Chief Executive, after consultation with the Commission, may either on his own or in conjunction with the Clearing House take such steps as he deems appropriate to enable the Final Settlement Price to be determined.

#### **CASH SETTLEMENT**

- 014 Trading in Stock Index Futures Contracts shall be conducted in and confined to Exchange Contracts for the delivery, by cash settlement on the Final Settlement Day, of an amount equal to the difference between the Cash Settlement Value and the Contracted Value of such Stock Index Futures Contracts.
- 015 (a) The obligations of the Buyer and the Seller under a Stock Index Futures Contract are as follows:
- (i) If the Contracted Value is less than the Cash Settlement Value, the Seller shall be liable to pay to the Clearing House the difference between the Contracted Value and the Cash

Settlement Value.

- (ii) If the Contracted Value is greater than the Cash Settlement Value, the Buyer shall be liable to pay to the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
- (b) The rights of the Buyer and the Seller under a Stock Index Futures Contract are as follows:
  - (i) If the Contracted Value is less than the Cash Settlement Value, the Buyer shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
  - (ii) If the Contracted Value is greater than the Cash Settlement Value, the Seller shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value.

016 The obligations and rights of the Buyer and the Seller shall be satisfied by cash settlement by or with the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

#### **REGISTRATION**

017 All Exchange Participants trading in Stock Index Futures Contracts shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing of Stock Index Futures Contracts.

#### **MARGIN AND VARIATION ADJUSTMENTS**

018 Clearing House margin, additional margin and variation adjustments shall be set, collected or distributed in respect of Stock Index Futures Contracts in accordance with the Rules.

#### **COMMISSIONS AND LEVIES**

- 019 (a) The rate of commission for each Stock Index Futures Contract shall be negotiable between an Exchange Participant and its Client unless otherwise specified in the Contract Specifications.
- (b) Every Stock Index Futures Contract shall be subject to an Exchange Fee which shall become immediately payable to the Exchange upon registration of the contract with the Clearing House. The Exchange Fee shall be paid to the Exchange through the Clearing House and shall be set by the Exchange Board from time to time.

- (c) Any levies required to be paid pursuant to the Ordinance in consequence of trading in Stock Index Futures Contracts shall be paid to the Exchange through the Clearing House in such manner as the Exchange shall, in consultation with the Commission, prescribe from time to time.

## **DISCLAIMER**

- 020 Every Exchange Participant shall ensure that prior to its accepting or carrying an account for trading in a Stock Index Futures Market on behalf of any Client a disclaimer in the form prescribed by the Exchange Board from time to time is delivered to that Client.

## **POSITION LIMITS**

- 021 (a) The Chief Executive may impose Position Limits on Exchange Participants and their Clients as provided for in the Exchange Rules and such Position Limits shall be specified in the Contract Specifications.
- (b) Subject to Rules 629(e) and 630(e), the Chief Executive may, on a case-by-case basis, increase, decrease or remove the Position Limits imposed pursuant to the Rules by giving notice in writing to the Clearing House, the Exchange Participant and the Commission.
- (c) The Chief Executive shall not be required to give any reasons for his decision to increase, decrease or remove the Position Limits pursuant to the Rules.
- (d) Failure to comply with the Position Limits is governed by the Rules.
- (e) Subject to Rules 629(e) and 630(e), the Chief Executive may approve higher Position Limits for Market Makers.

*Note: The Commission may also impose contract limits under the Ordinance.*

## **LARGE OPEN POSITIONS**

- 022 (a) The Exchange Board shall specify Large Open Positions in the Contract Specifications as provided for in the Exchange Rules.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated HKEX staff as required by the Rules and the Exchange Procedures.

## **APPROVAL TO CONDUCT BUSINESS IN STOCK INDEX FUTURES CONTRACTS**

- 023 (a) Exchange Participants must seek approval from the Exchange in order to trade any Stock Index Futures Contracts.
- (b) In respect of any Stock Index Futures Contract, the Exchange may, in its absolute discretion, grant or withhold such approval or grant its approval subject to such restrictions or conditions, or after granting such approval restrict or attach conditions, as it shall deem fit in view of the matters set out in sub-paragraph (c) and the decision of the Exchange shall be final and conclusive.
- (c) In the exercise of its discretion, the Exchange shall take into account whether an Exchange Participant:-
- (i) (deleted)
  - (ii) is financially and operationally capable of fulfilling all obligations related to participation in the Stock Index Futures Market;
  - (iii) has adequate internal control and risk management procedures in place; and
  - (iv) has installed the HKATS equipment to the satisfaction of the Exchange.

In applying for approval, every person shall follow the procedures prescribed by the Exchange from time to time.

## **MAXIMUM FLUCTUATION**

- 024 The Chief Executive, after consultation with the Commission and the Exchange Board, may from time to time, specify a Maximum Fluctuation. Whenever a Maximum Fluctuation has been specified, trading can only occur at prices within the limit of the Closing Quotation from the last trading session or a reference price specified by the Exchange, plus or minus the Maximum Fluctuation.

## **NON-COMPLIANCE**

- 025 An Exchange Participant which does not comply with these Regulations in any respect (including, without limitation, cash settlement with the Clearing House on the Final Settlement Day) shall be liable to disciplinary proceedings under the Exchange Rules.

026 (deleted)

### **LIQUIDITY PROVISION**

027 Notwithstanding anything contained in the Rules, the Exchange may from time to time, in its absolute discretion, appoint Exchange Participants to provide liquidity for Stock Index Futures Contracts in the Stock Index Futures Market at any time and on such terms and conditions as the parties may agree. For the avoidance of doubt, the terms and conditions of any appointment, including the liquidity providing activities, the liquidity providing arrangements, the liquidity providing requirements, the Exchange fee concessions and/or other incentives upon meeting the liquidity providing requirements, are subject to negotiation between the Exchange and the relevant Exchange Participant and may therefore vary among different appointments of different Exchange Participants.

<p>Contract Specifications For Hang Seng Index (HSI) Options</p>
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The following Contract Specifications shall apply to the Hang Seng Index (“HSI”) Option Contract\*\*:-

Underlying Index/Index	Hang Seng Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$50 per Index point*
Contract Months	<p>For Short-dated Options: Spot Month, the next three calendar months and the next three calendar quarter months (i.e. quarter months are March, June, September and December)</p> <p>For Long-dated Options: the three months of June and December plus the next three months of December following the Contract Months specified for Short-dated Options</p> <p>For Flexible Options: Any calendar month up to the most distant month specified for Long-dated Options (see Note 1)</p>
Trading Hours (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)</p> <p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p> <p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>
Trading Hours on Expiry Day (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session)</p> <p>There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year’s Eve or Lunar New Year’s Eve</p>
Trading Method	The Exchange’s Automated Trading System (HKATS)

Expiry Day	The second last Trading Day of the Contract Month
Option Premium	Option Premium is quoted in whole Index points
Contracted Value	Option Premium multiplied by the Contract Multiplier
Strike Prices	Strike Prices shall be set as follows:

<u>HSI (Index points)</u>	<u>Intervals</u>
<i>Short-dated Options</i>	
Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200
<i>Long-dated Options</i>	
Below 5,000	100
At or above 5,000 but below 20,000	200
At or above 20,000	400

*Flexible Options*

Any Strike Price, in whole index points, that is within Strike Prices representing not more than 30% above and not less than 30% below the opening price of the Spot Month HSI Futures Contract or at other specified range as stipulated by the Exchange from time to time can be accepted for option series described under Note 1

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Short-dated Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Short-dated Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month HSI Futures Contract for any day prior to the Expiry Day; and (ii) the next month HSI Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For Long-dated Options, Strike Prices shall be set or added in the same manner as for Short-dated Options except that there shall at all times be Strike Prices representing 20% above, at and 20% below the at-the-money Strike Price, rounded off to the

nearest Strike Price, unless the 20% is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For both Short- and Long-dated Options, Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Cash settlement of the Final Settlement Value
Final Settlement Day	The first Trading Day after the Expiry Day
Official Settlement Price	The Official Settlement Price for Hang Seng Index Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the Hang Seng Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Options to determine the Official Settlement Price under certain circumstances
Position Limits	Position delta for Hang Seng Index Options, Hang Seng Index Futures Options, Hang Seng Index Futures, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the



position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng Index Options, Hang Seng Index Futures Options, Hang Seng Index Futures, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time

Large Open Positions	500 open contracts, in any one series, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one series, per Client
Minimum Fluctuation	One Index point
Trading Fee (per contract per side)	Exchange Fee HK\$10.00  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable
Exercise Fees	Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$10.00 per contract  Contracts not exercised will be deemed to have

expired worthless and will not attract an Exercise Fee

Commission Rate                      Negotiable

Note 1

Trading may be conducted in Flexible Option with options series of any Contract Month and Strike Price within the parameters set forth above, provided that at the time of its creation the option series does not have the same Contract Month and Strike Price as any existing Short-dated or Long-dated Options. After its creation, all existing open positions established in Flexible Options shall be fully fungible with transactions in the respective Short-dated or Long-dated Options if they have the same Strike Price and Expiry Day as that of the Flexible Options

\* Same as the Hang Seng Index Futures Contract

\*\* The Hang Seng Index Option Contract and the Mini-Hang Seng Index Option Contract are fungible. Positions in these two Exchange Contracts will be netted automatically (in the case of House and Market Maker accounts) or may be closed out (in the case of Client account) in accordance with the Clearing House Rules

<p>Contract Specifications For Mini-Hang Seng Index (HSI) Options</p>
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The following Contract Specifications shall apply to the Mini-Hang Seng Index (“HSI”) Option Contract\*\*:-

Underlying Index/Index	Hang Seng Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$10 per Index point*
Contract Months	Spot Month, the next calendar month and the next two calendar quarter months (i.e. quarter months are March, June, September and December)
Trading Hours (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)</p> <p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p> <p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>
Trading Hours on Expiry Day (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session)</p> <p>There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year’s Eve or Lunar New Year’s Eve</p>
Trading Method	The Exchange’s Automated Trading System (HKATS)
Expiry Day	The second last Trading Day of the Contract Month
Option Premium	Option Premium is quoted in whole Index points
Contracted Value	Option Premium multiplied by the Contract Multiplier
Strike Prices	Strike Prices shall be set as follows:

<u>HSI (Index points)</u>	<u>Intervals</u>
Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month Mini-HSI Futures Contract for any day prior to the Expiry Day; and (ii) the next month Mini-HSI Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Cash settlement of the Final Settlement Value
Final Settlement Day	The first Trading Day after the Expiry Day
Official Settlement Price	The Official Settlement Price for Mini-Hang Seng Index Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the Hang Seng Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Options to determine the Official Settlement Price under certain circumstances

Position Limits

Position delta for Mini-Hang Seng Index Options, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Mini-Hang Seng Index Options, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time

Large Open Positions

2,500 open contracts, in any one series, per Exchange Participant for the Exchange Participant's own behalf; and

2,500 open contracts, in any one series, per Client

Minimum Fluctuation

One Index point

Trading Fee  
(per contract per side)

Exchange Fee HK\$2.00

The amount indicated above is subject to change

	from time to time
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable
Exercise Fee	Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$2.00 per contract
	Contracts not exercised will be deemed to have expired worthless and will not attract an Exercise Fee
Commission Rate	Negotiable

\* Same as the Mini-Hang Seng Index Futures Contract

\*\* The Mini-Hang Seng Index Option Contract and the Hang Seng Index Option Contract are fungible. Positions in these two Exchange Contracts will be netted automatically (in the case of House and Market Maker accounts) or may be closed out (in the case of Client account) in accordance with the Clearing House Rules

<p>Contract Specifications For Weekly Hang Seng Index (HSI) Options</p>
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The following Contract Specifications shall apply to the Weekly Hang Seng Index Option Contract:

Underlying Index/Index	Hang Seng Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$50 per Index point*
Contract Weeks	Spot Week and the next week, except where the Expiry Day of the Weekly Contract is the same as the Expiry Day of the Spot Month Hang Seng Index Option Contract
Trading Hours (Hong Kong time)	<p>9:15 a.m. - 12:00 noon (morning trading session) 1:00 p.m. - 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)</p> <p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p> <p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>
Trading Hours on Expiry Day (Hong Kong time)	<p>9:15 a.m. - 12:00 noon (morning trading session) 1:00 p.m. - 4:00 p.m. (afternoon trading session)</p> <p>There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve</p>
Trading Method	The Exchange's Automated Trading System (HKATS)
Expiry Day	The last Trading Day of the Contract Week
Option Premium	Quoted in whole Index points
Contracted Value	Option Premium multiplied by the Contract Multiplier
Strike Prices	Strike Prices shall be set as follows:

<u>HSI (Index points)</u>	<u>Intervals</u>
Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Weekly HSI Option Contract such that at all times there will be Strike Prices representing not less than 10% above, and not less than 10% below the at-the-money Strike Price of the Weekly HSI Option Contract. On any Trading Day in a given week, the at-the-money Strike Price of each Weekly HSI Option Contract shall be the previous Trading Day's official closing value of the Hang Seng Index, rounded off to the nearest Strike Price, unless the official closing value of the Hang Seng Index is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Cash settlement of the Final Settlement Value
Final Settlement Day	The first Trading Day after the Expiry Day
Official Settlement Price	The Official Settlement Price for Weekly HSI Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the Hang Seng Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5)-minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for Trading Stock Index Option Contracts to determine the Official Settlement Price under certain circumstances
Position Limits	Position delta for Weekly Hang Seng Index Options, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang



Seng Index (Gross Total Return Index) Futures and Hang Seng Index (Net Total Return Index) Futures combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Weekly Hang Seng Index Options, Hang Seng Index Futures, Hang Seng Index Options, Hang Seng Index Futures Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures and Hang Seng Index (Net Total Return Index) Futures combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time

Large Open Positions	500 open contracts in any one series per Exchange Participant for the Exchange Participant's own behalf; and
	500 open contracts in any one series per Client
Minimum Fluctuation	One Index point
Trading Fees (per contract per side)	Exchange Fee                      HK\$10.00
	The amount indicated above is subject to change from time to time

Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable
Exercise Fee	Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$10.00 per contract  Contracts not exercised will be deemed to have expired worthless and will not attract any Exercise Fee
Commission Rate	Negotiable
* Same as the Hang Seng Index Futures Contract and Hang Seng Index Option Contract	

<p>Contract Specifications For Hang Seng China Enterprises Index (HSCEI) Options</p>
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The following Contract Specifications shall apply to the Hang Seng China Enterprises Index Option Contract\*\*:-

Underlying Index/Index	Hang Seng China Enterprises Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$50 per Index point*
Contract Months	<p>For Short-dated Options: Spot Month, the next three calendar months and the next three calendar quarter months (i.e. quarter months are March, June, September and December)</p> <p>For Long-dated Options: the three months of June and December plus the next three months of December following the Contract Months specified for Short-dated Options</p> <p>For Flexible Options: Any calendar month up to the most distant month specified for Long-dated Options (see Note 1)</p>
Trading Hours (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)</p> <p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p> <p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>
Trading Hours on Expiry Day (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session)</p> <p>There shall be no afternoon or after-hours trading</p>

session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve

Trading Method	The Exchange's Automated Trading System (HKATS)
Expiry Day	The second last Trading Day of the Contract Month
Option Premium	Quoted in whole Index points
Contracted Value	Option Premium multiplied by the Contract Multiplier
Strike Prices	Strike Prices shall be set as follows:

<u>HSCEI (Index points)</u>	<u>Intervals</u>
<i>Short-dated Options</i>	
Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200
<i>Long-dated Options</i>	
Below 5,000	100
At or above 5,000 but below 20,000	200
At or above 20,000	400

*Flexible Options*

Any Strike Price, in whole index points, that is within Strike Prices representing not more than 30% above and not less than 30% below the opening price of the Spot Month HSCEI Futures Contract or at other specified range as stipulated by the Exchange from time to time can be accepted for option series described under Note 1

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Short-dated Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Short-dated Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month HSCEI Futures Contract for any day prior to the Expiry Day; and (ii) the next month HSCEI Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between

two Strike Prices in which case it shall be rounded off to the lower Strike Price

For Long-dated Options, Strike Prices shall be set or added in the same manner as for Short-dated Options except that there shall at all times be Strike Prices representing 20% above, at and 20% below the at-the-money Strike Price, rounded off to the nearest Strike Price, unless the 20% is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For both Short- and Long-dated Options, Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Cash (Hong Kong dollar) settlement of the Final Settlement Value
Final Settlement Day	The first Trading Day after the Expiry Day
Official Settlement Price	The Official Settlement Price for Hang Seng China Enterprises Index Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the values of the Hang Seng China Enterprises Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Options to determine the Official Settlement Price under certain circumstances
Position Limits	Position delta for Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Mini-Hang Seng China Enterprises

Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be

	announced by the Exchange from time to time	
Large Open Positions	500 open contracts in any one series per Exchange Participant for the Exchange Participant's own behalf; and	
	500 open contracts in any one series, per Client	
Minimum Fluctuation	One Index point	
Trading Fee (per contract per side)	Exchange Fee	HK\$3.50
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable	
Exercise Fee	Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$3.50 per contract	
	Contracts not exercised will be deemed to have expired worthless and will not attract an Exercise Fee	
Commission Rate	Negotiable	

Note 1

Trading may be conducted in Flexible Options with option series of any Contract Month and Strike Price within the parameters set forth above, provided that at the time of its creation the option series does not have the same Contract Month and Strike Price as any existing Short-dated or Long-dated Options. After its creation, all existing open positions established in Flexible Options shall be fully fungible with transactions in the respective Short-dated or Long-dated Options if they have the same Strike Price and Expiry Day as that of the Flexible Options

\* Same as the Hang Seng China Enterprises Index Futures Contract

\*\* The Mini-Hang Seng China Enterprises Index Option Contract and the Hang Seng China Enterprises Index Option Contract are fungible. Positions in these two Exchange Contracts will be netted automatically (in the case of House and Market Maker accounts) or may be closed out (in the case of Client account) in accordance with the Clearing House Rules

<p>Contract Specifications For Mini-Hang Seng China Enterprises Index (HSCEI) Options</p>
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The following Contract Specifications shall apply to the Mini-Hang Seng China Enterprises Index Option Contract\*:

Underlying Index/Index	Hang Seng China Enterprises Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)**
Contract Multiplier	HK\$10 per Index point**
Contract Months	Spot Month, the next calendar month and the next two calendar quarter months (i.e. quarter months are March, June, September and December)
Trading Hours (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)</p> <p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p> <p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>
Trading Hours on Expiry Day (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session)</p> <p>There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve</p>
Trading Method	The Exchange's Automated Trading System (HKATS)
Expiry Day	The second last Trading Day of the Contract Month
Option Premium	Quoted in whole Index points



Contracted Value                      Option Premium multiplied by the Contract Multiplier

Strike Prices                              Strike Prices shall be set as follows:

<u>HSCEI (Index points)</u>	<u>Intervals</u>
Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month Mini-HSCEI Futures Contract for any day prior to the Expiry Day; and (ii) the next month Mini-HSCEI Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style                              European Style options which may only be exercised on Expiry Day

Settlement on Exercise                      Cash settlement of the Final Settlement Value

Final Settlement Day                        The first Trading Day after the Expiry Day

Official Settlement Price                    The Official Settlement Price for Mini-Hang Seng China Enterprises Index Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the values of the Hang Seng China

Enterprises Index compiled, computed and disseminated by Hang Seng Indexes Company Limited\* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Options to determine the Official Settlement Price under certain circumstances

#### Position Limits

Position delta for Mini-Hang Seng China Enterprises Index Options, Mini-Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Mini-Hang Seng China Enterprises Index Options, Mini-Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net

Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time

Large Open Positions 2,500 open contracts in any one series per Exchange Participant for the Exchange Participant's own behalf; and

2,500 open contracts in any one series per Client

Minimum Fluctuation One Index point

Trading Fees Exchange Fee HK\$ 1.00  
(per contract per side)

The amount indicated above is subject to change from time to time

Levies Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance  
(per contract per side)

Cabinet Trade No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable

Exercise Fee Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$1.00 per contract

Contracts not exercised will be deemed to have expired worthless and will not attract an Exercise Fee

Commission Rate Negotiable

- \* The Mini-Hang Seng China Enterprises Index Option Contract and the Hang Seng China Enterprises Index Option Contract are fungible. Positions in these two Exchange Contracts will be netted automatically (in the case of House and Market Maker accounts) or may be closed out (in the case of Client account) in accordance with the Clearing House Rules
- \*\* Same as the Mini-Hang Seng China Enterprises Index Futures Contract

<p>Contract Specifications For Weekly Hang Seng China Enterprises Index (HSCEI) Options</p>
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The following Contract Specifications shall apply to the Weekly Hang Seng China Enterprises Index Option Contract:

Underlying Index/Index	Hang Seng China Enterprises Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*						
Contract Multiplier	HK\$50 per Index point*						
Contract Weeks	Spot Week and the next week, except where the Expiry Day of the Weekly Contract is the same as the Expiry Day of the Spot Month HSCEI Option Contract						
Trading Hours (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)</p> <p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p> <p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>						
Trading Hours on Expiry Day (Hong Kong time)	<p>9:15 a.m. - 12:00 noon (morning trading session) 1:00 p.m. - 4:00 p.m. (afternoon trading session)</p> <p>There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve</p>						
Trading Method	The Exchange's Automated Trading System (HKATS)						
Expiry Day	The last Trading Day of the Contract Week						
Option Premium	Quoted in whole Index points						
Contracted Value	Option Premium multiplied by the Contract Multiplier						
Strike Prices	Strike Prices shall be set as follows:						
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>HSCEI (Index points)</u></th> <th style="text-align: right;"><u>Intervals</u></th> </tr> </thead> <tbody> <tr> <td>Below 5,000</td> <td style="text-align: right;">50</td> </tr> <tr> <td>At or above 5,000 but below 20,000</td> <td style="text-align: right;">100</td> </tr> </tbody> </table>	<u>HSCEI (Index points)</u>	<u>Intervals</u>	Below 5,000	50	At or above 5,000 but below 20,000	100
<u>HSCEI (Index points)</u>	<u>Intervals</u>						
Below 5,000	50						
At or above 5,000 but below 20,000	100						

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Weekly HSCEI Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Weekly HSCEI Option Contract. On any Trading Day in a given week, the at-the-money Strike Price of each Weekly HSCEI Option Contract shall be the previous Trading Day's official closing value of the Hang Seng China Enterprises Index, rounded off to the nearest Strike Price, unless the official closing value of the Hang Seng China Enterprises Index is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Cash settlement of the Final Settlement Value
Final Settlement Day	The first Trading Day after the Expiry Day
Official Settlement Price	The Official Settlement Price for Weekly HSCEI Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the Hang Seng China Enterprises Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5)-minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for Trading Stock Index Option Contracts to determine the Official Settlement Price under certain circumstances
Position Limits	Position delta for Weekly Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Mini-Hang Seng China Enterprises Index Futures, Mini-

Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures and Hang Seng China Enterprises Index (Net Total Return Index) Futures combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Weekly Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures and Hang Seng China Enterprises Index (Net Total Return Index) Futures combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time

Large Open Positions	500 open contracts in any one series per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts in any one series per Client
Minimum Fluctuation	One Index point

Trading Fees (per contract per side)	Exchange Fee	HK\$3.50
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable	
Exercise Fee	Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$3.50 per contract	
	Contracts not exercised will be deemed to have expired worthless and will not attract an Exercise Fee	
Commission Rate	Negotiable	

\* Same as the Hang Seng China Enterprises Index Futures Contract and Hang Seng China Enterprises Index Option Contract



<p>Contract Specifications For Hang Seng TECH Index Options</p>
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The following Contract Specifications shall apply to the Hang Seng TECH Index Option Contract:-

Underlying Index/Index	Hang Seng TECH Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$50 per Index point*
Contract Months	For Short-dated Options: Spot Month, the next three calendar months and the next three calendar quarter months (i.e. quarter months are March, June, September and December)  For Long-dated Options: the three months of June and December following the Contract Months specified for Short-dated Options
Trading Hours (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States
Trading Hours on Expiry Day (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session)  There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve
Trading Method	The Exchange's Automated Trading System (HKATS)
Expiry Day	The second last Trading Day of the Contract Month
Option Premium	Option Premium is quoted in whole Index points
Contracted Value	Option Premium multiplied by the Contract

## Multiplier

### Strike Prices

Strike Prices shall be set as follows:

#### Hang Seng TECH Index (Index points) Intervals

##### *Short-dated Options*

Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200

##### *Long-dated Options*

Below 5,000	100
At or above 5,000 but below 20,000	200
At or above 20,000	400

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Short-dated Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Short-dated Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month Hang Seng TECH Index Futures Contract for any day prior to the Expiry Day; and (ii) the next month Hang Seng TECH Index Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For Long-dated Options, Strike Prices shall be set or added in the same manner as for Short-dated Options except that there shall at all times be Strike Prices representing 20% above, at and 20% below the at-the-money Strike Price, rounded off to the nearest Strike Price, unless the 20% is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For both Short- and Long-dated Options, Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Cash settlement of the Final Settlement Value
Final Settlement Day	The first Trading Day after the Expiry Day
Official Settlement Price	The Official Settlement Price for Hang Seng TECH Index Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the Hang Seng TECH Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Options to determine the Official Settlement Price under certain circumstances
Position Limits	Position delta for Hang Seng TECH Index Futures, Hang Seng TECH Index Options, Hang Seng TECH Index Futures Options and Weekly Hang Seng TECH Index Options combined of 21,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf; and  Position delta for Hang Seng TECH Index Futures, Hang Seng TECH Index Options, Hang Seng TECH Index Futures Options and Weekly Hang Seng TECH Index Options combined of 21,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client
Large Open Positions	500 open contracts, in any one series, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one series, per Client
Minimum Fluctuation	One Index point
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">HK\$5.00</span>  The amount indicated above is subject to change from time to time

Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable
Exercise Fees	Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$2.50 per contract  Contracts that are not exercised by the Clearing House will be deemed to have expired worthless and will not attract an Exercise Fee
Commission Rate	Negotiable

\* Same as the Hang Seng TECH Index Futures Contract.

<p>Contract Specifications For Hang Seng TECH Index Futures Options</p>
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The following Contract Specifications shall apply to the Hang Seng TECH Index Futures Option Contract:-

Underlying	Hang Seng TECH Index Futures traded on the Exchange
Contract Multiplier	HK\$50 per Index point*
Contract Months	<p>For Short-dated Options: Spot Month, the next three calendar months and the next three calendar quarter months (i.e. quarter months are March, June, September and December)</p> <p>For Long-dated Options: the three months of June and December following the Contract Months specified for Short-dated Options</p>
Trading Hours (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)</p> <p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p> <p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>
Trading Hours on Last Trading Day (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session)</p> <p>There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve</p>
Trading Method	The Exchange's Automated Trading System (HKATS)
Expiry Day	The third Friday of the Contract Month and if it is not a Trading Day, the Expiry Day shall be the preceding Trading Day
Last Trading Day	Same as the Expiry Day
Option Premium	Option Premium is quoted in whole Index points
Contracted Value	Option Premium multiplied by the Contract Multiplier

Strike Prices

Strike Prices shall be set as follows:

<u>Hang Seng TECH Index Futures (Index points)</u>	<u>Intervals</u>
<i>Short-dated Options</i>	
Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200
<i>Long-dated Options</i>	
Below 5,000	100
At or above 5,000 but below 20,000	200
At or above 20,000	400

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Short-dated Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Short-dated Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month Hang Seng TECH Index Futures Contract for any day prior to the Expiry Day; and (ii) the next month Hang Seng TECH Index Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For Long-dated Options, Strike Prices shall be set or added in the same manner as for Short-dated Options except that there shall at all times be Strike Prices representing 20% above, at and 20% below the at-the-money Strike Price, rounded off to the nearest Strike Price, unless the 20% is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For both Short- and Long-dated Options, Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style

European Style options which may only be exercised on Expiry Day

Settlement on Exercise

Physical Delivery on Exercise. Exercise results in a long position in the Hang Seng TECH Index Futures Contract

with the same Contract Month for a Holder of a Call Option or a Writer of a Put Option and a short position in the Hang Seng TECH Index Futures Contract with the same Contract Month for a Holder of a Put Option or a Writer of a Call Option, with a Contracted Price which is equal to the Strike Price of the Option. All in-the-money options are automatically exercised upon expiry. No overriding instructions would be accepted

Official Settlement Price	The Official Settlement Price for the Hang Seng TECH Index Futures Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the Hang Seng TECH Index Futures Contract of the same Contract Month, taken at five (5) second intervals from 3:55 p.m. – 4:00 p.m. on the Expiry Day of the Hang Seng TECH Index Futures Options**. The Chief Executive of the Exchange has the power under the Regulations for Trading Stock Index Option Contracts to determine the Official Settlement Price under certain circumstances	
Position Limits	Position delta for Hang Seng TECH Index Futures, Hang Seng TECH Index Options, Hang Seng TECH Index Futures Options and Weekly Hang Seng TECH Index Options combined of 21,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant’s own behalf; and	
	Position delta for Hang Seng TECH Index Futures, Hang Seng TECH Index Options, Hang Seng TECH Index Futures Options and Weekly Hang Seng TECH Index Options combined of 21,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client	
Large Open Positions	500 open contracts, in any one series, per Exchange Participant for the Exchange Participant’s own behalf; and	
	500 open contracts, in any one series, per Client	
Minimum Fluctuation	One Index point	
Trading Fee (per contract per side)	Exchange Fee	HK\$5.00
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable	

Exercise Fees                      Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$2.50 per contract

Contracts not exercised will be deemed to have expired worthless and will not attract an Exercise Fee

Commission Rate                  Negotiable

\* Same as the Hang Seng TECH Index Futures Contract

\*\* The quotation for each five-second period shall be taken according to the following sequence: (1) the last traded price of the underlying Hang Seng TECH Index Futures Contract within the five-second period; and if not available, (2) when both bid and offer prices are available, the mid-price of the last highest bid and lowest offer prices on the order book of the underlying Hang Seng TECH Index Futures Contract; and if no bid or offer price is available, (3) the index level of the Hang Seng TECH Index as disseminated by the index provider at the end of the five-second period, as adjusted by the premium or discount calculated on the previous Trading Day. The premium or discount is computed by taking the difference between the daily Closing Quotation of the underlying Hang Seng TECH Index Futures Contract (as determined by the Clearing House pursuant to the Clearing House Rules) and the closing price of the Hang Seng TECH Index

Where the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve, the Official Settlement Price shall be the average of the quotations of the Hang Seng TECH Index Futures Contract of the same Contract Month, taken at five (5) second intervals from 11:55 a.m. – 12:00 noon

Where trading of the underlying Hang Seng TECH Index Futures Contract is not available due to trading suspension or otherwise during part of a Trading Day, the Official Settlement Price shall be the average of the quotations of the Hang Seng TECH Index Futures Contract of the same Contract Month, taken at five (5) second intervals during the last five (5) minutes of continuous trading of the Hang Seng TECH Index Futures Contract, until 4:00 p.m., during such Trading Day



<p>Contract Specifications For Weekly Hang Seng TECH Index Options</p>
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The following Contract Specifications shall apply to the Weekly Hang Seng TECH Index Option Contract:

Underlying Index/Index	Hang Seng TECH Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK\$50 per Index point*
Contract Weeks	Spot Week and the next week, except where the Expiry Day of the Weekly Contract is the same as the Expiry Day of the Spot Month Hang Seng TECH Index Option Contract
Trading Hours (Hong Kong time)	9:15 a.m. - 12:00 noon (morning trading session) 1:00 p.m. - 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)
	There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.
	There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States
Trading Hours on Expiry Day (Hong Kong time)	9:15 a.m. - 12:00 noon (morning trading session) 1:00 p.m. - 4:00 p.m. (afternoon trading session)
	There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve
Trading Method	The Exchange's Automated Trading System (HKATS)
Expiry Day	The last Trading Day of the Contract Week
Option Premium	Quoted in whole Index points
Contracted Value	Option Premium multiplied by the Contract Multiplier
Strike Prices	Strike Prices shall be set as follows:

<u>Hang Seng TECH Index (Index points)</u>	<u>Intervals</u>
Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Weekly Hang Seng TECH Index Option Contract such that at all times there will be Strike Prices representing not less than 10% above, and not less than 10% below the at-the-money Strike Price of the Weekly Hang Seng TECH Index Option Contract. On any Trading Day in a given week, the at-the-money Strike Price of each Weekly Hang Seng TECH Index Option Contract shall be the previous Trading Day's official closing value of the Hang Seng TECH Index, rounded off to the nearest Strike Price, unless the official closing value of the Hang Seng TECH Index is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Cash settlement of the Final Settlement Value
Final Settlement Day	The first Trading Day after the Expiry Day
Official Settlement Price	The Official Settlement Price for Weekly Hang Seng TECH Index Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the Hang Seng TECH Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5)-minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for Trading Stock Index Option Contracts to determine the Official Settlement Price under certain circumstances
Position Limits	Position delta for Weekly Hang Seng TECH Index Options, Hang Seng TECH Index Futures, Hang Seng

TECH Index Options and Hang Seng TECH Index Futures Options combined of 21,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf; and

Position delta for Weekly Hang Seng TECH Index Options, Hang Seng TECH Index Futures, Hang Seng TECH Index Options and Hang Seng TECH Index Futures Options combined of 21,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client

Large Open Positions 500 open contracts in any one series per Exchange Participant for the Exchange Participant's own behalf; and

500 open contracts in any one series per Client

Minimum Fluctuation One Index point

Trading Fees Exchange Fee HK\$5.00  
(per contract per side)

The amount indicated above is subject to change from time to time

Levies Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance  
(per contract per side)

Cabinet Trade No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable

Exercise Fee Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$2.50 per contract

Contracts not exercised will be deemed to have expired worthless and will not attract any Exercise Fee

Commission Rate Negotiable

\* Same as the Hang Seng TECH Index Futures Contract and Hang Seng TECH Index Option Contract

<p>Contract Specifications For MSCI Taiwan (USD) Index Options</p>
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The following Contract Specifications shall apply to the MSCI Taiwan (USD) Index Option Contract:

Underlying Index/Index	MSCI Taiwan Index (the TWD index of that name compiled, computed and disseminated by MSCI Limited)*										
Trading Currency	U.S. dollars										
Contract Multiplier	US\$100 per Index point*										
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)										
Trading Hours (Hong Kong time)	8:45 a.m. – 1:45 p.m.										
Trading Hours on Expiry Day (Hong Kong time)	8:45 a.m. – 1:45 p.m.										
Trading Method	The Exchange's Automated Trading System (HKATS)										
Expiry Day	The second last Trading Day of the Contract Month. If the Expiry Day falls on a Taiwan public holiday, the Expiry Day will be the preceding Trading Day which is also a business day in Taiwan										
Option Premium	Option Premium is quoted in 0.1 Index points										
Contracted Value	Option Premium multiplied by the Contract Multiplier										
Strike Prices	Strike Prices shall be set as follows:										
	<table> <thead> <tr> <th><u>MSCI Taiwan Index (Index points)</u></th> <th><u>Intervals</u></th> </tr> </thead> <tbody> <tr> <td>Below 200</td> <td>1</td> </tr> <tr> <td>At or above 200 but below 500</td> <td>2</td> </tr> <tr> <td>At or above 500 but below 1000</td> <td>5</td> </tr> <tr> <td>At or above 1000</td> <td>10</td> </tr> </tbody> </table>	<u>MSCI Taiwan Index (Index points)</u>	<u>Intervals</u>	Below 200	1	At or above 200 but below 500	2	At or above 500 but below 1000	5	At or above 1000	10
<u>MSCI Taiwan Index (Index points)</u>	<u>Intervals</u>										
Below 200	1										
At or above 200 but below 500	2										
At or above 500 but below 1000	5										
At or above 1000	10										
	On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Option Contract such that at all times there will be Strike Prices										

representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month MSCI Taiwan (USD) Index Futures Contract for any day prior to the Expiry Day; and (ii) the next month MSCI Taiwan (USD) Index Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Cash settlement (U.S. dollars) of the Final Settlement Value
Final Settlement Day	The first Trading Day after the Official Settlement Price is determined
Official Settlement Price	The Official Settlement Price for MSCI Taiwan (USD) Index Options shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI Taiwan Index compiled, computed and disseminated by MSCI Limited taken at (i) one (1) minute intervals during the last twenty five (25) minutes of trading on the Taiwan Stock Exchange Corporation before the end of the continuous trading session, and (ii) the closing index value on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Options to determine the Official Settlement Price under certain circumstances

Position Limits	<p>Position delta for MSCI Taiwan (USD) Index Futures and MSCI Taiwan (USD) Index Options combined of 20,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and</p> <p>Position delta for MSCI Taiwan (USD) Index Futures and MSCI Taiwan (USD) Index Options combined of 20,000 long or short in all Contract Months combined, per Client</p>		
Large Open Positions	<p>500 open contracts, in any one series, per Exchange Participant for the Exchange Participant’s own behalf; and</p> <p>500 open contracts, in any one series, per Client</p>		
Minimum Fluctuation	0.1 Index point		
Trading Fee (per contract per side)	<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Exchange Fee</td> <td style="text-align: right;">US\$1.00</td> </tr> </table> <p>The amount indicated above is subject to change from time to time</p>	Exchange Fee	US\$1.00
Exchange Fee	US\$1.00		
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance		
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable		
Exercise Fees	<p>Options that are exercised on Expiry Day shall attract an Exercise Fee of US\$1.00 per contract</p> <p>Contracts not exercised will be deemed to have expired worthless and will not attract an Exercise Fee</p>		
Commission Rate	Negotiable		

\* Same as the MSCI Taiwan (USD) Index Futures Contract

<p>Contract Specifications For Hang Seng Index Futures (HSIF) Options</p>
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The following Contract Specifications shall apply to the Hang Seng Index Futures Option Contract:-

Underlying	Hang Seng Index Futures traded on the Exchange
Contract Multiplier	HK\$50 per Index point*
Contract Months	<p>For Short-dated Options: Spot Month, the next three calendar months and the next three calendar quarter months (i.e. quarter months are March, June, September and December)</p> <p>For Long-dated Options: the three months of June and December plus the next three months of December following the Contract Months specified for Short-dated Options</p>
Trading Hours (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)</p> <p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p> <p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>
Trading Hours on Last Trading Day (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session)</p> <p>There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve</p>
Trading Method	The Exchange's Automated Trading System (HKATS)

Expiry Day	The third Friday of the Contract Month and if it is not a Trading Day, the Expiry Day shall be the preceding Trading Day
Last Trading Day	Same as the Expiry Day
Option Premium	Option Premium is quoted in whole Index points
Contracted Value	Option Premium multiplied by the Contract Multiplier
Strike Prices	Strike Prices shall be set as follows:

<u>HSIF (Index points)</u>	<u>Intervals</u>
<i>Short-dated Options</i>	
Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200
<i>Long-dated Options</i>	
Below 5,000	100
At or above 5,000 but below 20,000	200
At or above 20,000	400

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Short-dated Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Short-dated Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month HSIF Contract for any day prior to the Expiry Day; and (ii) the next month HSIF Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For Long-dated Options, Strike Prices shall be set or added in the same manner as for Short-dated Options except that there shall at all times be Strike Prices representing 20% above, at and 20% below the at-the-money Strike Price, rounded off to the nearest Strike Price, unless the 20% is precisely midway



between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For both Short- and Long-dated Options, Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style European Style options which may only be exercised on Expiry Day

Settlement on Exercise Physical Delivery on Exercise. Exercise results in a long position in the HSIF Contract with the same Contract Month for a Holder of a Call Option or a Writer of a Put Option and a short position in the HSIF Contract with the same Contract Month for a Holder of a Put Option or a Writer of a Call Option, with a Contracted Price which is equal to the Strike Price of the Option. All in-the-money options are automatically exercised upon expiry. No overriding instructions would be accepted

Official Settlement Price The Official Settlement Price for HSIF Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the HSIF Contract of the same Contract Month, taken at five (5) second intervals from 3:55 p.m.– 4:00 p.m. on the Expiry Day of the HSIF Options\*\*. The Chief Executive of the Exchange has the power under the Regulations for Trading Stock Index Option Contracts to determine the Official Settlement Price under certain circumstances

Position Limits Position delta for Hang Seng Index Options, Hang Seng Index Futures Options, Hang Seng Index Futures, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for

the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng Index Options, Hang Seng Index Futures Options, Hang Seng Index Futures, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time

Large Open Positions 500 open contracts, in any one series, per Exchange Participant for the Exchange Participant's own behalf; and

500 open contracts, in any one series, per Client

Minimum Fluctuation One Index point

Trading Fee Exchange Fee HK\$10.00  
(per contract per side)

The amount indicated above is subject to change from time to time

Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable
Exercise Fees	Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$10.00 per contract  Contracts not exercised will be deemed to have expired worthless and will not attract an Exercise Fee
Commission Rate	Negotiable

\* Same as the HSIF Contract

\*\* The quotation for each five-second period shall be taken according to the following sequence: (1) the last traded price of the underlying HSIF Contract within the five-second period; and if not available, (2) when both bid and offer prices are available, the mid-price of the last highest bid and lowest offer prices on the order book of the underlying HSIF Contract; and if no bid or offer price is available, (3) the index level of the Hang Seng Index as disseminated by the index provider at the end of the five-second period, as adjusted by the premium or discount calculated on the previous Trading Day. The premium or discount is computed by taking the difference between the daily Closing Quotation of the underlying HSIF Contract (as determined by the Clearing House pursuant to the Clearing House Rules) and the closing price of the Hang Seng Index

Where the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve, the Official Settlement Price shall be the average of the quotations of the HSIF Contract of the same Contract Month, taken at five (5) second intervals from 11:55 a.m. – 12:00 noon

Where trading of the underlying HSIF Contract is not available due to trading suspension or otherwise during part of a Trading Day, the Official Settlement Price shall be the average of the quotations of the HSIF Contract of the same Contract Month, taken at five (5) second intervals during the last five (5) minutes of continuous trading of the HSIF contract, until 4:00 p.m., during such Trading Day

<p>Contract Specifications For Hang Seng China Enterprises Index Futures (HSCEIF) Options</p>
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The following Contract Specifications shall apply to the Hang Seng China Enterprises Index Futures Option Contract:-

Underlying	Hang Seng China Enterprises Index Futures traded on the Exchange
Contract Multiplier	HK\$50 per Index point*
Contract Months	<p>For Short-dated Options: Spot Month, the next three calendar months and the next three calendar quarter months (i.e. quarter months are March, June, September and December)</p> <p>For Long-dated Options: the three months of June and December plus the next three months of December following the Contract Months specified for Short-dated Options</p>
Trading Hours (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) 5:15 p.m. – 3:00 a.m. (after-hours trading session)</p> <p>There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.</p> <p>There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States</p>
Trading Hours on Last Trading Day (Hong Kong time)	<p>9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session)</p> <p>There shall be no afternoon or after-hours trading session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve</p>
Trading Method	The Exchange's Automated Trading System (HKATS)

Expiry Day	The third Friday of the Contract Month and if it is not a Trading Day, the Expiry Day shall be the preceding Trading Day
Last Trading Day	Same as the Expiry Day
Option Premium	Quoted in whole Index points
Contracted Value	Option Premium multiplied by the Contract Multiplier
Strike Prices	Strike Prices shall be set as follows:

<u>HSCEIF (Index points)</u>	<u>Intervals</u>
<i>Short-dated Options</i>	
Below 5,000	50
At or above 5,000 but below 20,000	100
At or above 20,000	200
<i>Long-dated Options</i>	
Below 5,000	100
At or above 5,000 but below 20,000	200
At or above 20,000	400

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Short-dated Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Short-dated Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month HSCEIF Contract for any day prior to the Expiry Day; and (ii) the next month HSCEIF Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For Long-dated Options, Strike Prices shall be set or added in the same manner as for Short-dated Options except that there shall at all times be Strike Prices representing 20% above, at and 20% below the at-the-money Strike Price, rounded off to the nearest Strike Price, unless the 20% is precisely midway

between two Strike Prices in which case it shall be rounded off to the lower Strike Price

For both Short- and Long-dated Options, Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Physical Delivery on Exercise. Exercise results in a long position in the HSCEIF Contract with the same Contract Month for a Holder of a Call Option or a Writer of a Put Option and a short position in the HSCEIF Contract with the same Contract Month for a Holder of a Put Option or a Writer of a Call Option, with a Contracted Price which is equal to the Strike Price of the Option. All in-the-money options are automatically exercised upon expiry. No overriding instructions would be accepted
Official Settlement Price	The Official Settlement Price for HSCEIF Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the HSCEIF Contract of the same Contract Month, taken at five (5) second intervals from 3:55 p.m.– 4:00 p.m. on the Expiry Day of the HSCEIF Options**. The Chief Executive of the Exchange has the power under the Regulations for Trading Stock Index Option Contracts to determine the Official Settlement Price under certain circumstances
Position Limits	Position delta for Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options

combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures Options, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time

Large Open Positions

500 open contracts in any one series per Exchange Participant for the Exchange Participant's own

	behalf; and	
	500 open contracts in any one series, per Client	
Minimum Fluctuation	One Index point	
Trading Fee (per contract per side)	Exchange Fee	HK\$3.50
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable	
Exercise Fee	Options that are exercised on Expiry Day shall attract an Exercise Fee of HK\$3.50 per contract	
	Contracts not exercised will be deemed to have expired worthless and will not attract an Exercise Fee	
Commission Rate	Negotiable	

\* Same as the HSCEIF Contract

\*\* The quotation for each five-second period shall be taken according to the following sequence: (1) the last traded price of the underlying HSCEIF Contract within the five-second period; and if not available, (2) when both bid and offer prices are available, the mid-price of the last highest bid and lowest offer prices on the order book of the underlying HSCEIF Contract; and if no bid or offer price is available, (3) the index level of the Hang Seng China Enterprises Index as disseminated by the index provider at the end of the five-second period, as adjusted by the premium or discount calculated on the previous Trading Day. The premium or discount is computed by taking the difference between the daily Closing Quotation of the underlying HSCEIF Contract (as determined by the Clearing House pursuant to the Clearing House Rules) and the closing price of the Hang Seng China Enterprises Index

Where the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve, the Official Settlement Price shall be the average of the quotations of the HSCEIF Contract of the same Contract Month, taken at five (5) second intervals from 11:55 a.m. – 12:00 noon



Where trading of the underlying HSCEIF Contract is not available due to trading suspension or otherwise during part of a Trading Day, the Official Settlement Price shall be the average of the quotations of the HSCEIF Contract of the same Contract Month, taken at five (5) second intervals during the last five (5) minutes of continuous trading of the HSCEIF contract, until 4:00 p.m., during such Trading Day

# REGULATIONS FOR TRADING STOCK INDEX OPTION CONTRACTS

## INTERPRETATION

001 These Regulations may be cited as the Regulations for trading Stock Index Options (hereinafter referred to as the “Regulations”).

002 The Exchange Rules and the Clearing House Rules (referred to collectively as the “Rules”) including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

“Cabinet Trade” an option which is executed at a price prescribed by the Exchange as the Minimum Fluctuation;

“Contract Month” the month and year in which an option expires;

“Contract Multiplier” the cash value of one Index point or as otherwise specified by the Exchange from time to time and provided for in the Contract Specifications;

“Contract Week” the week, month and year in which an option expires;

“Contracted Price” has the same meaning as in the Regulations for Trading Stock Index Futures Contracts;

“Expiry Day” the only Trading Day on which a Stock Index Option can be exercised subject to Rule 901 of the Exchange Rules and as specified in the Contract Specifications;

“Final Settlement Day” the Final Settlement Day as specified from time to time in the Contract Specifications of the relevant Stock Index Option Contract;

“Final Settlement Value” the value of a Stock Index Option as specified in Regulations 012 to 015;

“Flexible Option” a Stock Index Option at the time of its creation (i) with a Contract Month other than that of a Short-dated Option or a Long-dated Option or (ii) with a Contract Month which is the same as that of a Short-dated

	Option or a Long-dated Option but with a Strike Price, in whole index points, not within the Strike Price Intervals of a Short-dated Option or a Long-dated Option specified in the Contract Specifications;
“Holder”	an HKCC Participant which holds a long option position;
“Long-dated Options”	Stock Index Options with Contract Months for Long-dated Options as specified in the Contract Specifications;
“Minimum Fluctuation”	the minimum allowable movement in the price of an option as specified by the Exchange in the Contract Specifications;
“Official Settlement Price”	the level of the underlying Index or futures, as the case may be, on exercise of the option as determined by the Clearing House and calculated in accordance with the Contract Specifications;
“Option Premium”	the price expressed in Index points at which an option is bought or sold excluding any commissions, trading fees and applicable levies;
“Short-dated Options”	Stock Index Options with Contract Months for Short-dated Options as specified in the Contract Specifications;
“Spot Month Option Contract” and “Spot Month”	in a given month : (i) on day(s) prior to and on the Expiry Day of that month, a Spot Month Stock Index Option refers to a Stock Index Option with an Expiry Day in that same given month; and (ii) on the day after the Expiry Day of that month, a Spot Month Stock Index Option refers to a Stock Index Option with an Expiry Day in the immediately following month; and Spot Month shall be construed accordingly;
“Spot Week”	in a given week, the Contract Week of a Weekly Contract whose Expiry Day is within that week, if any;
“Stock Index” or “Index”	an index (including sub-index) that indicates the relative level of prices, value or dividend of a number of stocks whose inclusion and relative representation in the index are determined by reference to certain

factors including the current market prices of the stocks and their market capitalisation or an index (including sub-index) that indicates the relative level of volatilities implied by a range of index options contracts;

“Stock Index Option” or “option”	an Option Contract on a Stock Index or an Option Contract on a Stock Index Futures Contract;
“Stock Index Option Market”	a Market subject to these Regulations; and
“Writer”	an HKCC Participant which holds a short option position.

## **STOCK INDEX**

003 The method of compilation, computation and dissemination of the Stock Index must have been previously approved by the Exchange and the Commission; the level of the Stock Index must be regularly and broadly disseminated by a person approved by the Exchange and the Commission; and the underlying shares of a Stock Index must reflect a stock market, stock markets or a segment of a stock market, as the case may be, approved by the Exchange and the Commission.

## **CONTRACT SPECIFICATIONS**

004 The terms and conditions for each option shall include, among other things:-

- a) Underlying Index/Index;
- b) Contract Multiplier;
- c) Contract Months or Contract Weeks;
- d) Trading Hours;
- e) Trading Method;
- f) Expiry Day;
- g) Option Premium;
- h) Cash value of a Cabinet Trade;
- i) Strike Prices;
- j) Exercise Style;
- k) Settlement on Exercise;
- l) Position Limits;
- m) Large Open Positions;
- n) Minimum Fluctuation; and
- o) Commission Rate.

005 Contract Specifications for Stock Index Options may be changed from time to time by the Exchange Board in consultation with the Commission. Exchange

Participants shall be given notice of a change in the Contract Specifications prior to implementation of the change.

## **TRADING**

- 006 The Stock Index Option Market shall be open for trading on every Trading Day subject to the Exchange Rules. Trading Hours shall be as prescribed by the Exchange Board from time to time.
- 007 (a) Trading in Stock Index Options shall cease at the close of Trading Hours on the applicable Expiry Day or at such other times as specified by the Exchange Board.
- (b) Trading in Short-dated and Long-dated Options shall be subject to applicable Rules, Regulations and Procedures, including the requirements relating to Market Makers specified in applicable Procedures.
- (c) (deleted)
- 008 All disputes as to bids, offers, acceptances or withdrawals during trading sessions shall be governed by the Exchange Rules.

## **OFFICIAL SETTLEMENT PRICE**

- 009 The Exchange shall, in conjunction with the Clearing House, announce the Official Settlement Price as soon as practicable after it has been determined.
- 010 The Official Settlement Price of a Stock Index Option shall be a number determined by the Clearing House in accordance with the Contract Specifications.
- 011 If, in the opinion of the Chief Executive, circumstances are developing or have developed which are capable of preventing calculation of the Official Settlement Price of an Index, or which may render an Official Settlement Price unrepresentative of the level of prices at which the shares comprising the Index are traded during the Expiry Day, of the cumulated dividends of such underlying shares on the Trading Day following the Expiry Day or of the 30-day implied volatility of the underlying options on the Expiry Day, then the Chief Executive, after consultation with the Commission, may either on his own or in conjunction with the Clearing House take such steps as he deems appropriate to enable the Official Settlement Price to be determined.

## **SETTLEMENT ON EXERCISE**

- 012 The Holder of a Call Option shall have the following rights in respect of each Call Option held:-

- I) in respect of a Call Option whose underlying is a Futures Contract:
  - a) if, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the Call Option shall be deemed to be exercised by the Holder. No overriding instructions would be accepted. Upon exercise, the Holder will be assigned a long position in the underlying Futures Contract with the same Contract Month and with a Contracted Price which is equal to the Strike Price of the Call Option; or
  - b) if, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Price, then the Call Option shall be deemed to have expired worthless.

- II) in respect of a Call Option whose underlying is not a Futures Contract:
  - a) if, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the Call Option shall be deemed to be exercised by the Holder.

The Holder shall be entitled to receive the Final Settlement Value from the Clearing House which shall be equal to the difference between the Official Settlement Price and the Strike Price of the Call Option, multiplied by the Contract Multiplier; or

- b) if, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Price, then the Call Option shall be deemed to have expired worthless.

013 The Writer of a Call Option shall have the following obligations in respect of each Call Option written:-

- I) in respect of a Call Option whose underlying is a Futures Contract:
  - a) if, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the Writer will be assigned a short position in the underlying Futures Contract with the same Contract Month and with a Contracted Price which is equal to the Strike Price of the Call Option; or
  - b) if, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Price, then the Call Option shall be deemed to have expired worthless and the Writer shall have no further obligation in respect of that option.

- II) in respect of a Call Option whose underlying is not a Futures Contract:

- a) if, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the Writer shall pay to the Clearing House the Final Settlement Value which shall be equal to the difference between the Official Settlement Price and the Strike Price of the Call Option, multiplied by the Contract Multiplier; or
- b) if, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Price, the Call Option shall be deemed to have expired worthless and the Writer shall have no further obligation in respect of that option.

014 The Holder of a Put Option shall have the following rights in respect of each Put Option held:-

D) in respect of a Put Option whose underlying is a Futures Contract:

- a) if, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the Put Option shall be deemed to be exercised by the Holder. No overriding instructions would be accepted. Upon exercise, the Holder will be assigned a short position in the underlying Futures Contract with the same Contract Month and with a Contracted Price which is equal to the Strike Price of the Put Option; or
- b) if, on the relevant Expiry Day, the Strike Price of the Put Option is less than, or equal to, the Official Settlement Price, then the Put Option shall be deemed to have expired worthless.

II) in respect of a Put Option whose underlying is not a Futures Contract:

- a) if, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the Put Option shall be deemed to be exercised by the Holder.

The Holder shall be entitled to receive the Final Settlement Value from the Clearing House which shall be equal to the difference between the Strike Price of the Put Option and the Official Settlement Price, multiplied by the Contract Multiplier; or

- b) if, on the relevant Expiry Day, the Strike price of the Put Option is less than, or equal to, the Official Settlement Price, then the Put Option shall be deemed to have expired worthless.

015 The Writer of a Put Option shall have the following obligations in respect of each Put Option written:-

- D) in respect of a Put Option whose underlying is a Futures Contract:
- a) if, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the Writer will be assigned a long position in the underlying Futures Contract with the same Contract Month and with a Contracted Price which is equal to the Strike Price of the Put Option; or
  - b) if, on the relevant Expiry Day, the Strike Price of the Put Option is less than, or equal to, the Official Settlement Price, then the Put Option shall be deemed to have expired worthless and the Writer shall have no further obligation in respect of that option.

II) in respect of a Put Option whose underlying is not a Futures Contract:

- a) if, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the Writer shall pay to the Clearing House the Final Settlement Value which shall be equal to the difference between the Strike Price of the Put Option and the Official Settlement Price, multiplied by the Contract Multiplier; or
- b) if, on the relevant Expiry Day, the Strike Price of the Put Option is less than, or equal to, the Official Settlement Price, the Put Option shall be deemed to have expired worthless and the Writer shall have no further obligation in respect of that option.

016 The Final Settlement Value shall be determined in accordance with the calculations specified in Regulations 012 to 015 above where applicable and all margin payments and variation adjustments made to, received from or owed to, the Clearing House prior to and including Expiry Day, shall be set off against the amount owing to or by the HKCC Participant.

017 All rights of a Holder and obligations of a Writer of Stock Index Options shall, unless such Stock Index Options are Physical Delivery Contracts, be satisfied by cash settlement by or with the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

## **COMMISSIONS AND LEVIES**

018 The rate of commission for Stock Index Options shall be negotiable between an Exchange Participant and its Client unless otherwise specified in the Contract Specifications.

019 Every Stock Index Option shall be subject to an Exchange Fee which shall become immediately payable to the Exchange upon registration of the contract with the Clearing House. The Exchange Fee shall be paid to the Exchange through the Clearing House and shall be set by the Exchange Board from time



to time.

- 020 All levies required to be paid pursuant to the Ordinance in consequence of trading in Stock Index Options shall be paid to the Exchange through the Clearing House in such manner as the Exchange shall, in consultation with the Commission, prescribe from time to time.

#### **MARGIN AND VARIATION ADJUSTMENTS**

- 021 Clearing House margin, additional margin and variation adjustments shall be set, collected or distributed in respect of Stock Index Options in accordance with the Rules.

#### **PAYMENT OF OPTION PREMIUM AND CLIENT ACCOUNTS**

- 022 A Client may, subject to the Rules, open and maintain with an Exchange Participant one of two types of account with respect to trading options. The two available account types are:

- a) a Client cash account in which a Client may carry only long option positions in respect of which the full cash value of the Option Premium has been paid to the Exchange Participant on the day of the trade; and
- b) at the discretion of the Exchange Participant, a Client margin account in which a Client may carry both long and short option positions in respect of which the Client has paid the applicable margin in accordance with the Rules. Notwithstanding the foregoing, a Client margin account may be established only when the Exchange Participant employs a margining system or methodology approved by the Exchange.

Both types of accounts shall be opened and maintained in accordance with the Rules.

#### **APPROVAL TO CONDUCT BUSINESS IN STOCK INDEX OPTIONS**

- 023
- a) Exchange Participants must seek approval from the Exchange in order to trade any Stock Index Options Contracts.
  - b) In respect of any Stock Index Options Contracts, the Exchange may, in its absolute discretion, grant or withhold such approval or grant its approval subject to such restrictions or conditions, or after granting such approval restrict or attach conditions, as it shall deem fit in view of the matters set out in sub-paragraph (c) and the decision of the Exchange shall be final and conclusive.
  - c) In the exercise of its discretion, the Exchange will take into account whether an Exchange Participant:-
    - i) (deleted)

- ii) is financially and operationally capable of fulfilling all obligations related to participation in the Stock Index Option Market;
- iii) has adequate internal control and risk management procedures in place; and
- iv) has installed the HKATS equipment to the satisfaction of the Exchange.

In applying for approval, every person shall follow the procedures prescribed by the Exchange from time to time.

### **DISCLAIMER**

- 024 Every Exchange Participant shall ensure that prior to its accepting or carrying an account for trading in a Stock Index Option Market on behalf of any Client a disclaimer in the form prescribed by the Board from time to time is delivered to the Client.

### **DISCLOSURE REQUIREMENTS**

- 025 No Exchange Participant may open or deal for an account trading Stock Index Options for a Client unless the Exchange Participant:-
- a) is approved by the Exchange to trade Stock Index Options; and
  - b) is approved to conduct Client business.
  - c) – e) (deleted)

- 026 (deleted)

### **POSITION LIMITS**

- 027 (a) The Chief Executive may impose Position Limits on Exchange Participants and their Clients as provided for in the Exchange Rules and such Position Limits shall be specified in the Contract Specifications.
- (b) Subject to Rules 629(e) and 630(e), the Chief Executive may, on a case-by-case basis, increase, decrease or remove the Position Limits imposed pursuant to the Rules by giving notice in writing to the Clearing House, the Exchange Participant and the Commission.
- (c) The Chief Executive shall not be required to give any reasons for his decision to increase, decrease or remove the Position Limits pursuant

to the Rules.

- (d) Failure to comply with the Position Limits is governed by the Rules.
- (e) Subject to Rules 629(e) and 630(e), the Chief Executive may approve higher Position Limits for Market Makers.

*Note: The Commission may also impose contract limits under the Ordinance.*

## **LARGE OPEN POSITIONS**

- 028 (a) The Exchange Board shall specify Large Open Positions in the Contract Specifications as provided for in the Exchange Rules.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated HKEX staff as required by the Rules and the Exchange Procedures.

## **SHORT OPTION POSITION RESTRICTIONS**

- 029 The Exchange Board reserves the right to prohibit or restrict Exchange Participants from carrying short option positions in the Exchange Participant's own accounts or in the accounts of their Clients.

030 (deleted)

## **REGISTRATION**

- 031 All Exchange Participants trading in Stock Index Options shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing of Stock Index Options.

## **NON-COMPLIANCE**

- 032 An Exchange Participant which does not comply with these Regulations in any respect (including, without limitation, settlement with the Clearing House on the Final Settlement Day) shall be liable to disciplinary proceedings under the Exchange Rules.

## **LIQUIDITY PROVISION**

- 033 Notwithstanding anything contained in the Rules, the Exchange may from time to time, in its absolute discretion, appoint Exchange Participants to provide liquidity for Stock Index Options Contracts in the Stock Index Option Market at any time and on such terms and conditions as the parties may agree. For the avoidance of doubt, the terms and conditions of any appointment, including the liquidity providing activities, the liquidity providing arrangements, the liquidity providing requirements, the Exchange fee concessions and/or other

incentives upon meeting the liquidity providing requirements, are subject to negotiation between the Exchange and the relevant Exchange Participant and may therefore vary among different appointments of different Exchange Participants.

**TRADING PROCEDURES FOR STOCK INDEX FUTURES AND STOCK INDEX OPTIONS TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE (“HKATS”)**

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These procedures shall be read in conjunction with and shall form part of the Exchange Rules. Unless otherwise indicated, the terms used herein shall have the same meanings as contained in the Exchange Rules and the Clearing House Rules. A Stock Index Futures Contract refers to any Futures Contract on a Stock Index traded on HKATS. A Stock Index Option Contract refers to any Option Contract on a Stock Index or Stock Index Futures traded on HKATS.

## **CHAPTER 1**

### **METHOD OF TRADING**

Trading in Stock Index Futures Contracts and Stock Index Options Contracts shall be conducted exclusively through the Automated Trading System of the Exchange (“HKATS”) during specified trading hours and in accordance with the Exchange Rules, the Clearing House Rules, applicable Regulations, Contract Specifications and Procedures, the Clearing House Procedures and the HKATS User’s Guide.

## **CHAPTER 2**

### **ELIGIBILITY TO TRADE STOCK INDEX FUTURES CONTRACTS AND STOCK INDEX OPTIONS CONTRACTS**

#### **2.1** *Stock Index Futures Contracts and Stock Index Options Contracts Trading Privilege*

An Exchange Participant must be approved by and registered with the Exchange to trade through HKATS.

An Exchange Participant must be approved by the Exchange to trade a Stock Index Futures Contract and/or a Stock Index Options Contract through HKATS.

An Exchange Participant's application to trade a Stock Index Futures Contract and/or a Stock Index Options Contract through HKATS shall be made in writing to the Exchange.

#### **2.2** (deleted)

## CHAPTER 3

### MARKET MAKERS IN STOCK INDEX FUTURES AND STOCK INDEX OPTION CONTRACTS

#### 3.1 *Application for a Market Maker Permit*

The Exchange may appoint a Market Maker as a Regular Market Maker or a Primary Market Maker in a Stock Index Futures or Stock Index Options Contract for the T Session and/or the T+1 Session.

##### 3.1.1 Application for a Regular Market Maker Permit for the T Session and/or the T+1 Session

An Exchange Participant may apply for a Regular Market Maker permit in a Stock Index Futures Contract and/or a Stock Index Options Contract for the T Session and/or the T+1 Session by submitting a written application to the Exchange in accordance with any procedures set out in Rule 11A03.

##### 3.1.2 Application for a Primary Market Maker Permit for the T Session and/or the T+1 Session

Only Exchange Participants who hold a Regular Market Maker permit may apply to become a Primary Market Maker for the T Session and/or the T+1 Session. The Exchange may, from time to time by email or circular, invite Regular Market Makers to apply for a Primary Market Maker permit in a Stock Index Futures Contract and/or a Stock Index Options Contract. An Exchange Participant may submit its application by following the requirements set out in such invitation.

The Chief Executive has the sole discretion to determine the total number of Primary Market Makers that may be appointed for each Market and each of the T Session and the T+1 Session from time to time. If the number of applicants exceeds the total number determined by the Chief Executive, Exchange Participants may be required to undergo a bidding process in accordance with such procedures or requirements as may be specified by the Exchange. In considering whether a Primary Market Maker permit should be granted, the Chief Executive may give regard to such matters as he may in his absolute discretion consider to be appropriate, including Exchange Participants' market making commitment levels in terms of bid and offer spread and size of quote, and any other evaluation criteria that may be specified by the Exchange as part of the bidding process. Before appointing a Market Maker as a Primary Market Maker, the Exchange will also require the Exchange Participant to sign and agree to be bound by an appointment letter, which sets forth, among other things, the terms and conditions



under which it is appointed as a Primary Market Maker and the market making obligations of the Exchange Participant as a Primary Market Maker, which may vary from one Primary Market Maker to another.

An Exchange Participant whose application has been approved or which is successful in the relevant Primary Market Maker bidding process will be granted a Primary Market Maker permit in respect of each Market and trading session(s) for which it is permitted to make a market.

The duration of each Primary Market Maker permit may vary from one permit to another. The period for which a Primary Market Maker permit may be granted will be specified in the Exchange Participant's appointment letter and, unless otherwise approved by the Chief Executive, will not be automatically renewed.

### 3.1.3 Granting and revocation of a Market Maker Permit

The decision of the Chief Executive in respect of the approval or rejection in whole or in part of an application or a bid to become a Primary Market Maker or Regular Market Maker in any particular Market(s) and any trading session shall be final and conclusive.

Upon granting a Market Maker permit in a Stock Index Futures Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with (i) not less than two (2) contract months in the Stock Index Futures Contract (i.e. Spot Month and the next calendar month, unless otherwise specified by the Exchange) if it is a Regular Market Maker for the T Session and/or the T+1 Session; and/or (ii) such number of contract months as may be specified in its appointment letter if it is a Primary Market Maker for either the T Session or the T+1 Session.

Upon granting a Market Maker permit in a Stock Index Options Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with:

- a. For a Regular Market Maker for the T Session and/or the T+1 Session:
  - (i) not less than fifty (50) option series in the Stock Index Options Contract if it is not a Mini Contract or a Weekly Contract;
  - (ii) not less than twenty-five (25) option series if it is a Mini Contract; and

(iii) (for Weekly Contracts) not less than thirty (30) option series in total for Spot Week and the next week, or not less than fifteen (15) option series if only one Weekly Contract is available,

to be determined by the Exchange from time to time;

b. For a Primary Market Maker for the T Session or the T+1 Session:

such number of option series as may be specified in its appointment letter. In the case of a Stock Index Options Contract with both Short-dated and Long-dated Options, only option series in Short-dated Options will be assigned. A Market Maker permit shall not be applicable to Flexible Options and accordingly all obligations and procedures relating to any market making requirements shall not apply.

The Exchange may, at the absolute discretion of the Chief Executive, revoke a Market Maker permit in a Stock Index Futures Contract and/or a Stock Index Options Contract or any market making arrangement or other approval granted thereunder if it does not meet the market making requirements set forth in procedures 3.2.1, 3.2.2 and/or 3.2.2A and, in the case of a Primary Market Maker, in procedure 3.2.3 and/or its appointment letter for two (2) consecutive calendar months.

### 3.2 *Market Making Requirements of a Market Maker*

In order for a Market Maker to be entitled to Market Maker Incentives (for itself if applicable and for each of its market making arrangements under the relevant Market Maker permit if any), the Market Maker (itself if applicable) and each such market making arrangement shall separately be required to satisfy the market making requirements set forth in this procedure 3.2.

References to “Market Maker”, “Regular Market Maker” or “Primary Market Maker” in procedures 3.2 and 3.3 shall accordingly be construed to mean “Market Maker, Regular Market Maker or Primary Market Maker (itself if applicable) and each of its market making arrangements under the relevant Market Maker permit” or, where the context requires, any of them.

#### 3.2.1 Market Making Requirements of a Regular Market Maker for the T Session and/or the T+1 Session in a Stock Index Futures Contract

3.2.1.1 A Regular Market Maker in a Stock Index Futures Contract must either respond to Quote Requests or provide

continuous Quotes. The Exchange Participant shall notify the Exchange of the Regular Market Maker's election(s).

### 3.2.1.2 Responding to Quote Requests

If a Regular Market Maker in a Stock Index Futures Contract elects to respond to Quote Requests, it shall:

3.2.1.2.1 respond to not less than seventy (70) percent of the Quote Requests in the Stock Index Futures Contract in each calendar month;

3.2.1.2.2 respond to a Quote Request in the Stock Index Futures Contract within twenty (20) seconds of the Quote Request's display on HKATS;

3.2.1.2.3 respond to a Quote Request in the Stock Index Futures Contract with a Quote for a bid/offer spread not greater than 15 Minimum Fluctuations unless specified otherwise in procedure 3.2.1.4; and

3.2.1.2.4 unless specified otherwise in procedure 3.2.1.4, display on HKATS a Quote made in response to a Quote Request in the Stock Index Futures Contract for not fewer than ten (10) seconds and for a size of not fewer than five (5) contracts unless a change in the level of the underlying stock index occurs during the ten (10) second display period, in which case, the Regular Market Maker may change its Quote provided the new Quote shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.1.2 for the original Quote;

### 3.2.1.3 Providing Continuous Quotes

If a Regular Market Maker in a Stock Index Futures Contract elects to provide continuous Quotes, it shall:

3.2.1.3.1 quote the assigned contract months in the Stock Index Futures Contract during not less than seventy (70) percent of the trading hours for such Stock Index Futures Contract in each calendar month;

3.2.1.3.2 quote the assigned contract months in the Stock

Index Futures Contract with a bid/offer spread of not greater than 15 Minimum Fluctuations and for a size of not fewer than five (5) contracts unless specified otherwise in procedure 3.2.1.4; and

3.2.1.3.3 display on HKATS all Quotes made on the assigned contract months in the Stock Index Futures Contract for not fewer than ten (10) seconds unless a change in the level of the underlying index occurs during the ten (10) second display period, in which case, the Regular Market Maker may change its Quotes provided the new Quotes shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.1.3 for the original Quotes.

3.2.1.4 The maximum bid / offer spread and minimum size requirements for a Regular Market Maker in the following Stock Index Futures Contracts shall be as follows:

<u>Stock Index Futures Contracts</u>	<u>Maximum Bid / Offer Spread</u>	<u>Minimum Quote Size</u>
HSI Dividend Point Index Futures Contracts	30.00 points or 10% of bid price, whichever is higher	50 contracts
HSCEI Dividend Point Index Futures Contracts	30.00 points or 10% of bid price, whichever is higher	50 contracts
HSI Volatility Index Futures Contracts	0.50 points or 5% of bid price, whichever is higher	5 contracts
Hang Seng Mainland Banks Index Futures Contracts	6.00 Index points or 0.2% of bid price, whichever is higher	5 contracts
Hang Seng Index (Gross Total Return Index) Futures Contracts	600.00 Index points or 1% of bid price, whichever is higher	1 contract

Hang Seng Index (Net Total Return Index) Futures Contracts	600.00 Index points or 1% of bid price, whichever is higher	1 contract
Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contracts	200.00 Index points or 1% of bid price, whichever is higher	1 contract
Hang Seng China Enterprises Index (Net Total Return Index) Futures Contracts	200.00 Index points or 1% of bid price, whichever is higher	1 contract

3.2.1.5 A Regular Market Maker shall not be required to fulfil the market making requirements set forth in procedure 3.2.1 during the first five (5) minutes of each morning trading session.

3.2.2 Market Making Requirements of a Regular Market Maker in a Stock Index Option Contract for the T Session

3.2.2.1 A Regular Market Maker in a Stock Index Options Contract for the T Session must either respond to Quote Requests or provide continuous Quotes during the T Session. The Exchange Participant shall notify the Exchange of the Regular Market Maker's election(s).

3.2.2.2 Responding to Quote Requests during the T Session

If a Regular Market Maker in a Stock Index Options Contract for the T Session elects to respond to Quote Requests, it shall:

3.2.2.2.1 respond to not less than seventy (70) percent of the Quote Requests in the Stock Index Options Contract in the T Session of each calendar month;

3.2.2.2.2 respond to a Quote Request in the Stock Index Options Contract within twenty (20) seconds of the Quote Request's display on HKATS;

3.2.2.2.3 display on HKATS a Quote made in response to a Quote Request for not fewer than twenty (20) seconds and (i) in respect of a Stock Index

Options Contract which is not a Mini Contract or a Weekly Contract, for a size of not fewer than five (5) contracts for the first four calendar month contracts and not fewer than three (3) contracts for the subsequent three calendar quarter month contracts; (ii) for a Stock Index Options Contract which is a Mini Contract, for a size of not fewer than five (5) contracts for the first two calendar month contracts and not fewer than three (3) contracts for the subsequent two calendar quarter month contracts; and (iii) for a Stock Index Options Contract which is a Weekly Contract, for a size of not fewer than five (5) contracts for the Spot Week and the next Weekly Contract (where applicable), unless a change in the price level of the Spot Month Stock Index Futures Contract with the same underlying stock index occurs during the twenty (20) second display period, in which case, the Regular Market Maker may change its Quote provided the new Quote shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.2.2 for the original Quote;

3.2.2.2.4 quote the Stock Index Option Contract with a bid/offer spread of not greater than:

- a. For Hang Seng Index Option Contract, Hang Seng Index Futures Option Contract, Hang Seng China Enterprises Index Option Contract, Hang Seng China Enterprises Index Futures Option Contract, Hang Seng TECH Index Option Contract or Hang Seng TECH Index Futures Option Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 <sup>st</sup> to 4 <sup>th</sup> calendar months	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points
1 <sup>st</sup> and 2 <sup>nd</sup> calendar quarter months following the 4 <sup>th</sup> calendar month	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
3 <sup>rd</sup> calendar	1 – 750 points	50 points or 25% of bid price,

quarter month following the 4 <sup>th</sup> calendar month		whichever is higher
	751 points or more	200 points

b. For Mini-Hang Seng Index Options Contract or Mini-Hang Seng China Enterprises Index Options Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 <sup>st</sup> and 2 <sup>nd</sup> calendar months	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points
1 <sup>st</sup> and 2 <sup>nd</sup> calendar quarter months following the 2 <sup>nd</sup> calendar month	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points

c. For Weekly Hang Seng Index Options Contract, Weekly Hang Seng China Enterprises Index Options Contract or Weekly Hang Seng TECH Index Options Contract:

<u>Contract Week</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
Spot Week and the next Weekly Contract (where applicable)	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points

### 3.2.2.3 Providing Continuous Quotes during the T Session

If a Regular Market Maker in a Stock Index Options Contract for the T Session elects to provide continuous Quotes, it shall:

3.2.2.3.1 quote the assigned option series in the Stock Index Options Contract during not less than seventy (70) percent of the trading hours of such Stock Index Options Contract in the T Session of each calendar month;

3.2.2.3.2 display on HKATS all Quotes made on the assigned option series in the Stock Index Options Contract for not less than twenty (20)

seconds and (i) in respect of a Stock Index Options Contract which is not a Mini Contract or a Weekly Contract, for a size of not fewer than five (5) contracts for the first four calendar month contracts and for a size of not fewer than three (3) contracts for the subsequent three calendar quarter month contracts; (ii) in respect of a Stock Index Options Contract which is a Mini Contract, for a size of not fewer than five (5) contracts for the first two calendar month contracts and not fewer than three (3) contracts for the subsequent two calendar quarter month contracts; and (iii) in respect of a Stock Index Options Contract which is a Weekly Contract, for a size of not fewer than five (5) contracts for the Spot Week and the next Weekly Contract (where applicable), unless a change in the price level of the Stock Index Futures Contract with the same underlying index occurs during the twenty (20) second display period, in which case, the Regular Market Maker may change its Quotes provided the new Quotes shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.2.3 for the original Quotes;

3.2.2.3.3 quote the assigned option series in the Stock Index Option Contract with a bid/offer spread of not greater than:

- a. For Hang Seng Index Option Contract, Hang Seng Index Futures Option Contract, Hang Seng China Enterprises Index Option Contract, Hang Seng China Enterprises Index Futures Option Contract, Hang Seng TECH Index Option Contract or Hang Seng TECH Index Futures Option Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 <sup>st</sup> to 4 <sup>th</sup> calendar months	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points
1 <sup>st</sup> and 2 <sup>nd</sup> calendar quarter months following the 4 <sup>th</sup> calendar month	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
3 <sup>rd</sup> calendar	1 – 750 points	50 points or 25% of bid price,



quarter month following the 4 <sup>th</sup> calendar month		whichever is higher
	751 points or more	200 points

b. For Mini-Hang Seng Index Options Contract or Mini-Hang Seng China Enterprises Index Options Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 <sup>st</sup> and 2 <sup>nd</sup> calendar months	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points
1 <sup>st</sup> and 2 <sup>nd</sup> calendar quarter months following the 2 <sup>nd</sup> calendar month	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points

c. For Weekly Hang Seng Index Options Contract, Weekly Hang Seng China Enterprises Index Options Contract or Weekly Hang Seng TECH Index Options Contract:

<u>Contract Week</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
Spot Week and the next Weekly Contract (where applicable)	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points

3.2.2.4 A Regular Market Maker shall not be required to fulfil the market making requirements set forth in procedure 3.2.2 during the first five (5) minutes of the opening of each morning trading session.

3.2.2A Market Making Requirements of a Regular Market Maker in a Stock Index Option Contract for the T+1 Session

3.2.2A.1 A Regular Market Maker in a Stock Index Options Contract for the T+1 Session must either respond to Quote Requests or provide continuous Quotes during the T+1 Session. The Exchange Participant shall notify the Exchange of the Regular Market Maker's election(s).

3.2.2A.2 Responding to Quote Requests during the T+1 Session

If a Regular Market Maker in a Stock Index Options Contract for the T+1 Session elects to respond to Quote Requests, it shall:

3.2.2A.2.1 respond to not less than thirty five (35) percent of the Quote Requests in the Stock Index Options Contract (if it is not a Weekly Contract) or respond to not less than seventy (70) percent of the Quote Requests in the Weekly Contract in the T+1 Session of each calendar month;

3.2.2A.2.2 respond to a Quote Request in the Stock Index Options Contract within twenty (20) seconds of the Quote Request's display on HKATS;

3.2.2A.2.3 display on HKATS a Quote made in response to a Quote Request for not fewer than twenty (20) seconds and (a) in respect of a Stock Index Options Contract which is not a Mini Contract or a Weekly Contract, for a size of not fewer than three (3) contracts for the first four calendar month contracts and not fewer than two (2) contracts for the subsequent three calendar quarter month contracts; (b) for a Stock Index Options Contract which is a Mini Contract, for a size of not fewer than three (3) contracts for the first two calendar month contracts and not fewer than two (2) contracts for the subsequent two calendar quarter month contracts; and (c) for a Stock Index Options Contract which is a Weekly Contract, for a size of not fewer than five (5) contracts for the Spot Week and the next Weekly Contract (where applicable), unless a change in the price level of the Spot Month Stock Index Futures Contract with the same underlying stock index occurs during the twenty (20) second display period, in which case, the Regular Market Maker may change its Quote provided the new Quote shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.2A.2 for the original Quote; and

3.2.2A.2.4 quote the Stock Index Option Contract with a bid/offer spread of not greater than:

a. For Hang Seng Index Option Contract, Hang Seng Index Futures Option

Contract, Hang Seng China Enterprises Index Option Contract, Hang Seng China Enterprises Index Futures Option Contract, Hang Seng TECH Index Option Contract or Hang Seng TECH Index Futures Option Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 <sup>st</sup> to 4 <sup>th</sup> calendar months	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
1 <sup>st</sup> and 2 <sup>nd</sup> calendar quarter months following the 4 <sup>th</sup> calendar month	1 – 750 points	60 points or 30% of bid price, whichever is higher
	751 points or more	225 points
3 <sup>rd</sup> calendar quarter month following the 4 <sup>th</sup> calendar month	1 – 750 points	80 points or 40% of bid price, whichever is higher
	751 points or more	300 points

b. For Mini-Hang Seng Index Options Contract or Mini-Hang Seng China Enterprises Index Options Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 <sup>st</sup> and 2 <sup>nd</sup> calendar months	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
1 <sup>st</sup> and 2 <sup>nd</sup> calendar quarter months following the 2 <sup>nd</sup> calendar month	1 – 750 points	60 points or 30% of bid price, whichever is higher
	751 points or more	225 points

c. For Weekly Hang Seng Index Options Contract, Weekly Hang Seng China Enterprises Index Options Contract or Weekly Hang Seng TECH Index Options Contract:

<u>Contract Week</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
Spot Week and the next Weekly Contract (where	1 – 750 points	40 points or 20% of bid price, whichever is higher

applicable)	751 points or more	150 points
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### 3.2.2A.3 Providing Continuous Quotes during the T+1 Session

If a Regular Market Maker in a Stock Index Options Contract for the T+1 Session elects to provide continuous Quotes, it shall:

3.2.2A.3.1 quote at least (i) in respect of a Stock Index Options Contract which is not a Mini Contract or a Weekly Contract, 50 option series out of the assigned option series in the Stock Index Options Contract during not less than thirty five (35) percent of the trading hours of such Stock Index Options Contract in the T+1 Session of each calendar month; (ii) in respect of a Stock Index Options Contract which is a Mini Contract, at least 25 option series out of the assigned option series in the Stock Index Options Contract during not less than thirty five (35) percent of the trading hours of such Stock Index Options Contract in the T+1 Session of each calendar month; and (iii) in respect of a Stock Index Options Contract which is a Weekly Contract, at least 30 option series out of the assigned option series for the Spot Week and the next Weekly Contract or at least 15 option series out of the assigned option series if only one Weekly Contract is available during not less than seventy (70) percent of the trading hours of such Weekly Contract in the T+1 Session of each calendar month;

3.2.2A.3.2 display on HKATS all Quotes made on the assigned option series in the Stock Index Options Contract for not less than twenty (20) seconds and (a) in respect of a Stock Index Options Contract which is not a Mini Contract or a Weekly Contract, for a size of not fewer than three (3) contracts for the first four calendar month contracts and for a size of not fewer than two (2) contracts for the subsequent three calendar quarter month contracts; (b) in respect of a Stock Index Options Contract which is a Mini Contract, for a size of not fewer than three (3) contracts for the first two calendar month contracts and not fewer than

two (2) contracts for the subsequent two calendar quarter month contracts; and (c) in respect of a Stock Index Options Contract which is a Weekly Contract, for a size of not fewer than five (5) contracts for the Spot Week and the next Weekly Contract (where applicable), unless a change in the price level of the Stock Index Futures Contract with the same underlying index occurs during the twenty (20) second display period, in which case, the Regular Market Maker may change its Quotes provided the new Quotes shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.2A.3 for the original Quotes; and

3.2.2A.3.3 quote the assigned option series in the Stock Index Option Contract with a bid/offer spread of not greater than:

- a. For Hang Seng Index Option Contract, Hang Seng Index Futures Option Contract, Hang Seng China Enterprises Index Option Contract, Hang Seng China Enterprises Index Futures Option Contract, Hang Seng TECH Index Option Contract or Hang Seng TECH Index Futures Option Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 <sup>st</sup> to 4 <sup>th</sup> calendar months	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
1 <sup>st</sup> and 2 <sup>nd</sup> calendar quarter months following the 4 <sup>th</sup> calendar month	1 – 750 points	60 points or 30% of bid price, whichever is higher
	751 points or more	225 points
3 <sup>rd</sup> calendar quarter month following the 4 <sup>th</sup> calendar month	1 – 750 points	80 points or 40% of bid price, whichever is higher
	751 points or more	300 points

- b. For Mini-Hang Seng Index Options Contract or Mini-Hang Seng China Enterprises Index Options Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
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1 <sup>st</sup> and 2 <sup>nd</sup> calendar months	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
1 <sup>st</sup> and 2 <sup>nd</sup> calendar quarter months following the 2 <sup>nd</sup> calendar month	1 – 750 points	60 points or 30% of bid price, whichever is higher
	751 points or more	225 points

c. For Weekly Hang Seng Index Options Contract, Weekly Hang Seng China Enterprises Index Options Contract or Weekly Hang Seng TECH Index Options Contract:

<u>Contract Week</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
Spot Week and the next Weekly Contract (where applicable)	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points

### 3.2.3 Market Making Requirements of a Primary Market Maker in a Stock Index Futures Contract or Stock Index Options Contract for the T Session and/or the T+1 Session

3.2.3.1 Each Primary Market Maker shall, in respect of each contract month or option series assigned to it in a Stock Index Futures Contract or Stock Index Options Contract for which it is appointed a Primary Market Maker and during each relevant trading session:

3.2.3.1.1 provide continuous Quotes through HKATS: (i) for no less than such percentage of trading hours, (ii) for no less than such number of contracts, (iii) for no less than such display period, and (iv) within such bid/offer spread, in each case as may be specified in its appointment letter; and

3.2.3.1.2 respond to Quote Requests by (i) responding to not less than such percentage of Quote Requests, (ii) responding within such time period following a Quote Request's display on HKATS, (iii) displaying each Quote on HKATS for not less than such period of time and for not less than

such number of contracts, and (iv) quoting within such bid/offer spread, in each case as may be specified in its appointment letter.

3.2.3.2 [Repealed]

3.2.3.3 The Exchange may from time to time prescribe additional requirements, obligations, restrictions and conditions which must be complied with by a Primary Market Maker by giving written notice to it to amend the terms of its appointment.

3.2.4 During the Last Trading Day of a Stock Index Futures Contract, a Market Maker in the Stock Index Futures Contract shall not be required to respond to a Quote Request or to provide continuous Quotes for that Contract and during the Expiry Day of a Stock Index Options Contract other than a Weekly Contract, a Market Maker in the Stock Index Options Contract shall not be required to respond to a Quote Request or to provide continuous Quotes for that Contract.

3.2.5 During Unusual Market Conditions, the Chief Executive may, in his discretion, temporarily suspend or modify some or all of the market making requirements of a Market Maker.

### 3.3 *Market Maker Incentives*

A Market Maker in a Stock Index Futures Contract or a Stock Index Options Contract (other than a Regular Market Maker in a Stock Index Options Contract which is not a Weekly Contract for the T+1 Session) shall be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in the Stock Index Futures Contract or the Stock Index Options Contract.

A Regular Market Maker in a Stock Index Options Contract which is not a Weekly Contract for the T+1 Session shall be entitled to pay a reduced Exchange Fee of an amount as prescribed by the Exchange from time to time on transactions effected in Stock Index Options Contracts during the T+1 Session if it satisfies the market making requirements applicable to the corresponding incentive tier:

Incentive tier	If the Regular Market Maker elects to respond to a Quote Requests and fulfills the following Quote	If the Regular Market Maker elects to provide continuous Quotes and fulfills the following percentage of trading hours coverage for the assigned option series below in the Stock Index Options Contract:	
		For a Stock Index Options Contract which is not a Mini Contract:	For a Stock Index Options Contract which is a Mini Contract:

	Requests response percentage:				
		Percentage of trading hours coverage	Assigned option series	Percentage of trading hours coverage	Assigned option series
1	70%	70%	50	70%	25
2	50%	50%	50	50%	25
3	35%	35%	50	35%	25

A Market Maker in a Stock Index Futures Contract or a Stock Index Option Contract shall also be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in other Stock Index Futures Contracts and Stock Index Option Contracts with the same underlying index, provided that:

- (i) the total number of other Stock Index Futures Contracts and Stock Index Option Contracts eligible for reduced Exchange Fees in any calendar month shall not exceed the volume of the Stock Index Futures Contract or the Stock Index Option Contract traded by the Market Maker in its capacity as such in that calendar month;
- (ii) for Market Makers in the Mini-Hang Seng Index Futures Contract or the Mini-Hang Seng Index Option Contract, the number of other eligible transactions in the Hang Seng Index Futures Contract, the Hang Seng Index Option Contract, the Hang Seng Index Futures Option Contract and the Weekly Hang Seng Index Option Contract shall be multiplied by one-fifth;
- (iii) for Market Makers in the Hang Seng Index Option Contract, the Hang Seng Index Futures Option Contract or the Weekly Hang Seng Index Option Contract, the number of other eligible transactions in the Mini-Hang Seng Index Futures Contract and the Mini-Hang Seng Index Option Contract shall be multiplied by five;
- (iv) for Market Makers in the Hang Seng China Enterprises Index Futures Contract, the Hang Seng China Enterprises Index Option Contract, the Hang Seng China Enterprises Index Futures Option Contract or the Weekly Hang Seng China Enterprises Index Option Contract, the number of other eligible transactions in the Mini-Hang Seng China Enterprises Index Futures Contract and the Mini-Hang Seng China Enterprises Index Option Contract shall be multiplied by five; and
- (v) for Market Makers in the Mini-Hang Seng China Enterprises Index Option Contract, the number of other eligible transactions in the Hang Seng China Enterprises Index Futures Contract, the Hang Seng China Enterprises Index Option Contract, the Hang Seng China Enterprises Index Futures Option Contract and the Weekly Hang Seng China Enterprises Index Option Contract shall be multiplied by one-fifth.

For the avoidance of doubt, since Market Maker permits are not applicable to option series in Flexible Options, Market Makers are not entitled to nor eligible for reduced Exchange Fees on transactions effected in any Flexible



## Options by a Market Maker.

Unless otherwise determined by the Chief Executive, a Market Maker shall be entitled to the above Market Maker Incentives only if it satisfies the applicable market making requirements set forth in procedures 3.2.1, 3.2.2 and/or 3.2.2A and, in the case of a Primary Market Maker, in procedure 3.2.3 and/or its appointment letter. Without prejudice to any powers or rights of the Exchange or the Chief Executive, if a Market Maker in a Stock Index Futures Contract and/or a Stock Index Options Contract does not meet the prescribed market making requirements for a calendar month, the Exchange reserves the right to charge, at the absolute discretion of the Chief Executive, such Market Maker Exchange Fees at the full rate as specified in the respective Contract Specifications for all transactions effected in that calendar month for all products in respect of which reduced Exchange Fees have been provided for in this procedure.

### 3.4 *Market Maker may not Trade for Client*

A Market Maker in a Stock Index Futures Contract and/or a Stock Index Options Contract shall not in its capacity as such accept an Order or execute a transaction for any Client and shall ensure that each of its market making arrangements will not execute any transaction for an account other than its own account, unless otherwise approved by the Exchange.

### 3.5 *Separate Market Maker Accounts for Market Making Arrangements*

Trades arising from market making activities in relation to each of the Market Maker's market making arrangements will be recorded in separate market maker accounts.

## CHAPTER 4

### DEALING FUNCTIONALITY

#### 4.1 *Order Entry*

An Order in a Stock Index Futures Contract or a Stock Index Options Contract may be entered into HKATS only during the trading hours and, where applicable, the pre-opening session (in respect of Limit Orders and Auction Orders) and the pre-open allocation session (in respect of Auction Orders only) of the Pre-Market Opening Period for the Stock Index Futures Contract or the Stock Index Options Contract.

#### 4.2 *Automatic Cancellation of an Order due to Suspension of Trading or Site Failure*

An Order resident on the Central Orderbook for a Stock Index Futures Contract or Stock Index Options Contract will be canceled upon the suspension of trading in the Stock Index Futures Contract or the Stock Index Options Contract.

Notification of a suspension of trading in a Stock Index Futures Contract or a Stock Index Options Contract will be made on the HKATS Market Message display window.

Notification of the resumption of trading in a suspended Stock Index Futures Contract or a suspended Stock Index Options Contract will be made on the HKATS Market Message display window not less than ten (10) minutes, or such shorter period as the Chief Executive may determine, prior to the resumption of trading in the Stock Index Futures Contract or the Stock Index Options Contract.

An Order automatically canceled due to the suspension of trading in a Stock Index Futures Contract or a Stock Index Options Contract may be re-entered into HKATS upon the resumption of trading in the Stock Index Futures Contract or the Stock Index Options Contract.

In the event of a system failure at an Exchange Participant's site, the Exchange Participant shall contact the Exchange at the HKATS hotline listed in the HKATS User's Guide and advise the Exchange if it wishes to have all its outstanding Orders canceled or remain activated. An Order of an Exchange Participant resident on the Central Orderbook will be inactivated 10 minutes after the occurrence of a system failure at the Exchange Participant's site unless the Exchange Participant has requested the Exchange to keep the Order activated within 10 minutes of the site failure. The Exchange shall not be liable to an Exchange Participant for canceling or keeping activated any Order of the Exchange Participant at its instructions or purported instructions.

An Exchange Participant affected by a system failure at its site may arrange with other Exchange Participants to handle new Orders and subsequently reallocate resulting trades to the corresponding accounts through external allocation according to the Clearing House Rules.

#### 4.3 *Order Amendments and Cancellations*

An Order in a Stock Index Futures Contract or a Stock Index Option Contract entered into the Central Orderbook on behalf of a Client or the Exchange Participant and designated a particular Order number may be amended or canceled provided that the amendment or cancellation is made in compliance with the instructions of that Client or the Exchange Participant, as the case may be, in respect of that particular Order.

Exchange Participants may amend, cancel or inactivate Orders resident in the Central Orderbook (“Valid Orders”) only during trading hours and the period of 30 minutes before the opening of each trading session if the Pre-Market Opening Period is not applicable or the pre-opening session of the Pre-Market Opening Period if the Pre-Market Opening Period applies.

A Valid Order that is amended in connection with a reduction in size, a change in the duration of validity, or modification of optional (“free”) text information shall not affect the time priority of the original Valid Order.

A Valid Order that is amended in connection with price or an increase in size: (i) will result in the loss of time priority of the original Valid Order if the amendment is made during trading hours; and (ii) will result in the loss of time priority of the original Valid Order if the amendment is made during the Pre-Market Opening Period (where the Pre-Market Opening Period is applicable). Amendment in connection with price or an increase in size of a Valid Order is not allowed during the 30 minute period before the opening of a trading session (where the Pre-Market Opening Period is not applicable).

#### 4.4 (deleted)

#### 4.5 *Execution of Standard Combinations*

4.5.1 In the event an Order for a spread or strategy combination listed in the “Series/Combinations” window of HKATS (“standard combination”) involving Stock Index Futures Contracts or Stock Index Options Contracts is entered into HKATS, HKATS will automatically generate derived Orders (“Bait Orders”) based on the prevailing market price of each individual market series comprising the standard combination and the price of the Order for the standard combination. Prices of these Bait Orders will be automatically adjusted according to price movement in the individual market series comprising the standard combination.

- 4.5.2 The ranking of Bait Orders shall be in accordance with the time the Bait Orders are generated. A Bait Order whose price is automatically adjusted according to the price movement and/or increase in quantity of the individual market series comprising the standard combination shall be treated as if the Bait Order were newly generated.
- 4.5.3 In the event an Order for a standard combination is executed separately as Bait Orders in the individual market series, each Stock Index Futures Contract or Stock Index Options Contract comprising the standard combination will be matched at the prevailing market price of the individual market series. Any matched Contracts will be recorded in HKATS as separate trades in the individual market series.
- 4.5.4 In the event an Order for a standard combination is executed in the standard combination market and not as Bait Orders in the individual market series, the executed price of the standard combination may not necessarily correspond with the prevailing market prices of the Stock Index Futures Contracts or Stock Index Options Contracts comprising the standard combination. The matched standard combination will be recorded in HKATS as separate trades in the individual market series.
- 4.5.5 (deleted)
- 4.6 (deleted)
- 4.7 (deleted)
- 4.8 *Pre-Market Opening*
  - 4.8.1 The pre-market opening algorithm of HKATS shall apply to such Stock Index Futures and/or Options Contract(s) as the Exchange may from time to time notify to Exchange Participants.
  - 4.8.2 The Pre-Market Opening Period shall comprise (i) the pre-opening session; (ii) the pre-open allocation session; and (iii) the open allocation session, the duration of which may be changed by the Exchange and notified to Exchange Participants from time to time at its discretion.
  - 4.8.3 During the pre-opening session, Limit Orders and Auction Orders may be entered into HKATS and may be amended or canceled subject to the provisions of procedure 4.3. During the pre-open allocation session, only Auction Orders may be entered into HKATS. No Orders may be amended or canceled during the pre-open allocation session. During the open allocation session, no Orders may be entered into HKATS and no Orders may be amended or canceled. The Calculated Opening Price (COP), if any, will be calculated, and Orders will be matched subject to Rule 1215 or converted into Limit Orders or

inactive Orders in accordance with the procedures set forth below during the open allocation session.

- 4.8.4 A COP will be calculated only if the highest bid price of the Limit Orders entered into HKATS is greater than or equal to the lowest ask price of the Limit Orders. If more than one price satisfies this criterion, the COP shall be calculated according to the following rules:
- 4.8.4.1 The COP shall be one of the bid or offer prices falling at or within the highest bid price and the lowest ask price of the Limit Orders;
  - 4.8.4.2 The COP shall be the price at which the number of contracts matched would be maximized;
  - 4.8.4.3 If more than one price satisfies the rule in procedure 4.8.4.2, the COP shall be the price at which the normal order imbalance is the lowest. For the purposes of this procedure, normal order imbalance is defined as the difference between the number of bid contracts and the number of ask contracts that can be matched at a certain price;
  - 4.8.4.4 If more than one price satisfies the rule in procedure 4.8.4.3, the COP shall be the price at which (i) the aggregate number of contracts comprising the bid Auction Orders and bid Limit Orders at or above that price or (ii) the aggregate number of contracts comprising the ask Auction Orders and ask Limit Orders at or below that price would be the highest;
  - 4.8.4.5 If more than one price satisfies the rule in procedure 4.8.4.4, (i) the COP in the case of the morning trading session shall be the price closest to the previous Closing Quotation (as defined in the Clearing House Rules) of the relevant Stock Index Futures Contract or Stock Index Options Contract and (ii) the COP in the case of the afternoon trading session shall be the price closest to the last traded price if the relevant Stock Index Futures Contract or Stock Index Options Contract was traded in the immediately preceding morning trading session or if there was no trading in the immediately preceding morning trading session, the rule in this procedure 4.8.4.5 shall be disregarded and the calculation of the COP shall proceed in accordance with the rule set forth in procedure 4.8.4.6;
  - 4.8.4.6 If more than one price satisfies the rule in procedure 4.8.4.5, the COP shall be the highest of such prices.

- 4.8.5 If a COP is calculated, Auction Orders and Limit Orders with ask prices at or below, or bid prices at or above, such determined COP shall be matched at the COP to the extent possible and any unmatched Auction Order shall be converted into a Limit Order with a bid or ask price equal to the COP immediately before Market open. The ranking of such converted Auction Orders and Limit Orders at the COP shall be in accordance with the time the converted Auction Orders and Limit Orders were originally entered into HKATS.
- 4.8.6 If no COP can be calculated according to procedure 4.8.4 but bid and ask prices exist, all bid Auction Orders will be converted immediately before Market open into bid Limit Orders at the highest bid price and all ask Auction Orders will be converted immediately before Market open into ask Limit Orders at the lowest ask price of the Limit Orders entered into HKATS. The ranking of such converted Auction Orders and Limit Orders with the highest bid price or lowest ask price, as the case may be, shall be in accordance with the time the Auction Orders and Limit Orders were originally entered into HKATS.
- 4.8.7 If no COP can be calculated according to procedure 4.8.4 and no bid price or ask price exists, all bid Auction Orders (if no bid price exists) and all ask Auction Orders (if no ask price exists) will be converted into inactive Orders immediately before Market open.
- 4.8.8 The conduct of the Pre-Market Opening Period shall be under the surveillance of designated HKATS Officials. A designated HKATS Official may cancel any Order entered into HKATS during the Pre-Market Opening Period which in his opinion is a manifest error and which would disproportionately affect the Calculated Opening Price.

4.9 *Creation, Execution and Suspension of Flexible Options*

- 4.9.1 From the time of the opening of the Stock Index Option Market till 30 minutes before the market close, Exchange Participants may request the Exchange to create any option series in Flexible Options in accordance with the criteria and procedures stipulated by the Exchange from time to time. The Exchange reserves the right to decline, in its absolute discretion, any request to make any option series available for trading.
- 4.9.2 Trading of Flexible Options shall be conducted through the Block Trade Facility. With the exception of falling into a specified price or price ranges required of Block Trades, all orders must be executed in the prescribed manner and meet the criteria laid down in Rule 815A and such other criteria as may be prescribed by the Board and notified to Exchange Participants from time to time.

- 4.9.3 The Chief Executive may from time to time prescribe a maximum number of requests made by an Exchange Participant for the creation of option series in Flexible Options to protect the integrity of HKATS and to ensure the proper operation of the Markets.
- 4.9.4 Without prejudice to the rights of the Exchange and the Chief Executive under Rules 807A(b), an Exchange Participant which acts in a manner that results in exceeding the maximum number of option series in Flexible Options created, excluding those series on which trades have been executed on the same Trading Day of their creation, shall be liable to pay to the Exchange such fees as specified in Appendix B to the Rules.
- 4.9.5 In the event that an option series in a Short-dated Option or Long-dated Option has the same Strike Price and Expiry Day as an option series of a Flexible Option, the relevant series of the Flexible Option shall be prohibited from further trading. The open positions of an option series in a Short-dated Option or Long-dated Option and its respective option series in a Flexible Option may be closed out by each other upon request from the Exchange Participant(s) concerned in accordance with the Clearing House Rules.

#### 4.10 *Creation, Execution and Deletion of Tailor-Made Combinations*

- 4.10.1 Exchange Participants can define and create a Tailor-Made Combination involving such Stock Index Futures Contracts and/or Stock Index Options Contracts and during such trading sessions as the Exchange may from time to time notify Exchange Participants using the tailor-made combination function of HKATS. Once created, a Tailor-Made Combination can be traded like a normal market series.
- 4.10.2 Exchange Participants shall ensure that the following criteria are satisfied when creating a Tailor-Made Combination:
- the Tailor-Made Combination is one of the strategy combinations prescribed by the Exchange;
  - the number of futures contract month or option series (“legs”) comprising the strategy is within the range prescribed by the Exchange;
  - the ratio between these legs is within the range prescribed by the Exchange;
  - the contract sizes of these legs must be identical;
  - the Tailor-Made Combination is not at that time prescribed as a standard combination; and

- an active Order is submitted at the same time as the creation of the Tailor-Made Combination.
- 4.10.3 Tailor-Made Combinations created on a Trading Day will not be carried forward to the next Trading Day.
- 4.10.4 The executed price of a trade in a Tailor-Made Combination may not necessarily correspond with the prevailing market prices of the Stock Index Futures Contracts or Stock Index Options Contracts comprising the Tailor-Made Combination. The matched trade in the Tailor-Made Combination will be recorded in HKATS as separate trades in the individual market series.
- 4.10.5 The Exchange may from time to time prescribe a maximum number of Tailor-Made Combinations that can be listed on HKATS on a Trading Day and a throughput rate for each HKATS connection to create Tailor-Made Combinations to protect the integrity of HKATS and to ensure the proper operation of the Markets.
- 4.10.6 The Exchange may at any time at its sole discretion limit the number of Tailor-Made Combinations an Exchange Participant may create on a Trading Day by notice to the Exchange Participant.
- 4.10.7 The Exchange reserves the right to delete any Tailor-Made Combination listed on HKATS and cancel any Order for that Tailor-Made Combination at any time if:
- (i) the Tailor-Made Combination does not satisfy the criteria as prescribed in procedure 4.10.2;
  - (ii) there is no active Order for the Tailor-Made Combination;
  - (iii) the total number of Tailor-Made Combinations listed on HKATS exceeds the maximum number prescribed and notified to Exchange Participants by the Exchange from time to time;
  - (iv) the Tailor-Made Combination is created by an Exchange Participant which has exceeded the limit imposed on it under procedure 4.10.6; or
  - (v) the Exchange determines that the Tailor-Made Combination is inappropriate.
- 4.10.8 Any trade in a Tailor-Made Combination that is not created in accordance with the criteria as prescribed in procedure 4.10.2 will not be considered as a valid trade by the Exchange and, notwithstanding any provisions of the Exchange Rules or the Clearing House Rules, will not be registered or cleared by the Clearing House. In the event



that an Exchange Participant has been notified by the Exchange that a Tailor-Made Combination trade is invalid on the Trading Day during which the Tailor-Made Combination trade is executed, the Exchange in conjunction with the Clearing House will, without being required to give further notice to the Exchange Participant, delete the invalid Tailor-Made Combination trade from HKATS and the “deal file” of the clearing system as if the Tailor-Made Combination trade had never been executed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange or the Clearing House directly or indirectly in connection with the deletion of any invalid Tailor-Made Combination trade.

## **CHAPTER 5**

(deleted)

## CONTRACT SPECIFICATIONS FOR STOCK FUTURES CONTRACTS

### I. HONG KONG STOCK FUTURES

#### HONG KONG STOCK FUTURES CONTRACT SPECIFICATIONS

Contract Multiplier	Board lot size of the underlying stock, unless otherwise specified by the Exchange
Contracted Price	An amount in HK\$ established through HKATS in accordance with the Rules of the Exchange, and which is registered by the Clearing House
Contracted Value	Contracted Price multiplied by Contract Multiplier
Minimum Fluctuation	HK\$0.01
Contract Months	Spot Month, the next two calendar months, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Adjustments	Adjustments will be made to the Contract Multiplier and the Contracted Price to reflect events such as dividends, share splits, bonus and rights issues, etc. in accordance with the Regulations for Trading Stock Futures Contracts. For special events such as distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., the Chief Executive, in consultation with the Commission, will have the ultimate authority to make an Adjustment where he deems an Adjustment to be appropriate. The Adjustments shall be final and binding.
Trading Hours	9:30 a.m. - 12:00 noon and 1:00 p.m. - 4:00 p.m. (Hong Kong time)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:30 a.m. – 12:00 noon (Hong Kong time)
Trading Hours on Last Trading Day	9:30 a.m. - 12:00 noon and 1:00 p.m. - 4:00 p.m. (Hong Kong time)  There shall be no afternoon trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve
Trading Days	Any Trading Day
Last Trading Day	The second last Trading Day of the Contract Month
Cash Settlement Value	Final Settlement Price multiplied by Contract Multiplier

Final Settlement Day	The first Trading Day after the Last Trading Day						
Final Settlement Price	Official closing price of the underlying stock as quoted by SEHK on the Last Trading Day as provided in Regulation 012A and subject to Regulation 013						
Settlement Method	Cash settled contract of difference						
Settlement Currency	HK dollar						
Position Limits	<p>The number of net long or short contracts under the applicable position limit level in all Contract Months combined provided that the number of net long or short contracts in any one Contract Month shall not exceed two times the number of net long or short contracts under the applicable position limit level, per Exchange Participant for the Exchange Participant's own account; and</p> <p>The number of net long or short contracts under the applicable position limit level in all Contract Months combined provided that the number of net long or short contracts in any one Contract Month shall not exceed two times the number of net long or short contracts under the applicable position limit level, per Client</p> <p>Regulation 021B sets out the 5 position limit levels (namely 25,000, 20,000, 15,000, 10,000 and 5,000 contracts) and the methodology for the determination of the applicable level of position limit for a Hong Kong Stock Futures Contract</p>						
Large Open Position	<p>1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and</p> <p>1,000 open contracts, in any one Contract Month, per Client</p>						
Trading Fee (per contract per side)	<p>Exchange Fee</p> <table border="1"> <tr> <td>Tier 1</td> <td>HK\$3.00</td> </tr> <tr> <td>Tier 2</td> <td>HK\$1.00</td> </tr> <tr> <td>Tier 3</td> <td>HK\$0.50</td> </tr> </table> <p>Regulation 018A sets out the mechanism for the determination of the tier level for a Hong Kong Stock Futures Contract. The tier levels and the corresponding Exchange Fee are subject to change from time to time.</p>	Tier 1	HK\$3.00	Tier 2	HK\$1.00	Tier 3	HK\$0.50
Tier 1	HK\$3.00						
Tier 2	HK\$1.00						
Tier 3	HK\$0.50						
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.						
Commission Rate	Negotiable						

## **CONTRACT SPECIFICATIONS FOR STOCK FUTURES CONTRACTS**

### **II. US STOCK FUTURES**

Note: Trading of the US Stock Futures Contracts has been suspended until further notice.

## US STOCK FUTURES CONTRACT SPECIFICATIONS

Contract Multiplier	Refer to List of US Stock Futures Contracts above
Contracted Price	An amount in US dollar established through HKATS in accordance with the Rules of the Exchange, and which is registered by the Clearing House
Contracted Value	Contracted Price multiplied by Contract Multiplier
Price Quotation	Refer to List of US Stock Futures Contracts above
Minimum Fluctuation	USD0.01
Contract Months	Spot Month, the next two calendar months, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Adjustments	Adjustments will be made to the Contract Multiplier and the Contracted Price to reflect events such as dividends, share splits, bonus and rights issues, etc. in accordance with the Regulations for Trading Stock Futures Contracts. For special events such as distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., the Chief Executive, in consultation with the Commission, will have the ultimate authority to make an Adjustment where he deems an Adjustment to be appropriate. The Adjustments shall be final and binding.
Trading Hours	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Hours on Last Trading Day	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Days	Any day the US stock market on which the underlying share is listed is open for trading the underlying share
Last Trading Day	The third Friday of the Contract Month
Cash Settlement Value	Final Settlement Price multiplied by Contract Multiplier
Final Settlement Day	The first Trading Day after the Last Trading Day
Final Settlement Price	Official closing price of the underlying share on the Last Trading Day as quoted in the stock market on which the underlying share is listed in the US
Settlement Method	Cash settled contract of difference
Settlement Currency	US dollar

Position Limits	50,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  50,000 open contracts, in any one Contract Month, per Client
Large Open Position	10,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  10,000 open contracts, in any one Contract Month, per Client
Trading Fee Exchange Fee	USD0.25 per contract per side  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.  Exchange Participants shall pay the prescribed amount of Commission Levy and Investor Compensation Levy in US Dollar equivalent (at the conversion rate determined by the Exchange, rounded to the nearest US Cents).
Commission Rate	Negotiable

## **CONTRACT SPECIFICATIONS FOR STOCK FUTURES CONTRACTS**

### **III. JAPANESE STOCK FUTURES**

Note: Trading of the Japanese Stock Futures Contracts has been suspended until further notice.



## JAPANESE STOCK FUTURES CONTRACT SPECIFICATIONS

Contract Multiplier	Refer to List of Japanese Stock Futures Contracts above
Contracted Price	An amount in Japanese Yen established through HKATS in accordance with the Rules of the Exchange, and which is registered by the Clearing House
Contracted Value	Contracted Price multiplied by Contract Multiplier
Price Quotation	Refer to List of Japanese Stock Futures Contracts above
Minimum Fluctuation	¥1 multiplied by the unit specified in the List of Japanese Stock Futures Contracts above
Contract Months	Spot Month, the next two calendar months, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Adjustments	Adjustments will be made to the Contract Multiplier and the Contracted Price to reflect events such as dividends, share splits, bonus and rights issues, etc. in accordance with the Regulations for Trading Stock Futures Contracts. For special events such as distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., the Chief Executive, in consultation with the Commission, will have the ultimate authority to make an Adjustment where he deems an Adjustment to be appropriate. The Adjustments shall be final and binding.
Trading Hours	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Hours on Last Trading Day	8:00 a.m. - 2:00 p.m.* (Hong Kong time) (*Closing hour on the Last Trading Day shall be adjusted automatically to correspond with the closing hour of the underlying cash market, as it may be set from time to time)
Trading Days	Any day the Japanese stock market on which the underlying share is listed is open for trading the underlying share
Last Trading Day	The second last Trading Day of the Contract Month, provided that if that day is not a trading day in the underlying cash market in Japan, the Last Trading Day shall be the immediately preceding trading day in the underlying cash market in Japan, which may or may not be a Trading Day
Cash Settlement Value	Final Settlement Price multiplied by Contract Multiplier
Final Settlement Day	The first Trading Day after the Last Trading Day
Final Settlement Price	Official closing price of the underlying share on the Last Trading Day as quoted in the stock market on which the

	underlying share is listed in Japan
Settlement Method	Cash settled contract of difference
Settlement Currency	US dollar
Position Limits	50,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  50,000 open contracts, in any one Contract Month, per Client
Large Open Position	10,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  10,000 open contracts, in any one Contract Month, per Client
Trading Fee Exchange Fee	USD0.25 per contract per side  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.  Exchange Participants shall pay the prescribed amount of Commission Levy and Investor Compensation Levy in US Dollar equivalent (at the conversion rate determined by the Exchange, rounded to the nearest US Cents).
Commission Rate	Negotiable

## **CONTRACT SPECIFICATIONS FOR STOCK FUTURES CONTRACTS**

### **IV. KOREAN STOCK FUTURES**

Note: Trading of the Korean Stock Futures Contracts has been suspended until further notice.

## KOREAN STOCK FUTURES CONTRACT SPECIFICATIONS

Contract Multiplier	Refer to List of Korean Stock Futures Contracts above
Contracted Price	An amount in Korean Won established through HKATS in accordance with the Rules of the Exchange, and which is registered by the Clearing House
Contracted Value	Contracted Price multiplied by Contract Multiplier
Price Quotation	Refer to List of Korean Stock Futures Contracts above
Minimum Fluctuation	KRW 1 multiplied by the unit specified in the List of Korean Stock Futures Contracts above
Contract Months	Spot Month, the next two calendar months, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Adjustments	Adjustments will be made to the Contract Multiplier and the Contracted Price to reflect events such as dividends, share splits, bonus and rights issues, etc. in accordance with the Regulations for Trading Stock Futures Contracts. For special events such as distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., the Chief Executive, in consultation with the Commission, will have the ultimate authority to make an Adjustment where he deems an Adjustment to be appropriate. The Adjustments shall be final and binding.
Trading Hours	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Hours on Last Trading Day	8:00 a.m. - 2:00 p.m.* (Hong Kong time) (*Closing hour shall be adjusted automatically to correspond with the closing hour of the underlying cash market, as it may be set from time to time)
Trading Days	Any day the Korean stock market on which the underlying share is listed is open for trading the underlying share
Last Trading Day	The second last Trading Day of the Contract Month, provided that if that day is not a trading day in the underlying cash market in South Korea, the Last Trading Day shall be the immediately preceding trading day in the underlying cash market in South Korea, which may or may not be a Trading Day
Cash Settlement Value	Final Settlement Price multiplied by Contract Multiplier
Final Settlement Day	The first Trading Day after the Last Trading Day
Final Settlement Price	Official closing price of the underlying share on the Last

	Trading Day as quoted in the stock market on which the underlying share is listed in South Korea
Settlement Method	Cash settled contract of difference
Settlement Currency	US dollar
Position Limits	5,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  5,000 open contracts, in any one Contract Month, per Client
Large Open Position	1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  1,000 open contracts, in any one Contract Month, per Client
Trading Fee Exchange Fee	USD0.45 per contract per side  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.  Exchange Participants shall pay the prescribed amount of Commission Levy and Investor Compensation Levy in US Dollar equivalent (at the conversion rate determined by the Exchange, rounded to the nearest US Cents).
Commission Rate	Negotiable

## **CONTRACT SPECIFICATIONS FOR STOCK FUTURES CONTRACTS**

### **V. TAIWANESE STOCK FUTURES**

Note: Trading of the Taiwanese Stock Futures Contracts has been suspended until further notice.

## **TAIWANESE STOCK FUTURES CONTRACT SPECIFICATIONS**

Contract Multiplier	Refer to List of Taiwanese Stock Futures Contracts above
Contracted Price	An amount in New Taiwan dollar established through HKATS in accordance with the Rules of the Exchange, and which is registered by the Clearing House
Contracted Value	Contracted Price multiplied by Contract Multiplier
Price Quotation	Refer to List of Taiwanese Stock Futures Contracts above
Minimum Fluctuation	NT\$0.01
Contract Months	Spot Month, the next two calendar months, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Adjustments	Adjustments will be made to the Contract Multiplier and the Contracted Price to reflect events such as dividends, share splits, bonus and rights issues, etc. in accordance with the Regulations for Trading Stock Futures Contracts. For special events such as distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., the Chief Executive, in consultation with the Commission, will have the ultimate authority to make an Adjustment where he deems an Adjustment to be appropriate. The Adjustments shall be final and binding.
Trading Hours	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Hours on Last Trading Day	8:00 a.m. - 1:30 p.m.* (Hong Kong time) (*Closing hour shall be adjusted automatically to correspond with the closing hour of the underlying cash market, as it may be set from time to time)
Trading Days	Any day the Taiwanese stock market on which the underlying share is listed is open for trading the underlying share
Last Trading Day	The second last Trading Day of the Contract Month, provided that if that day is not a trading day in the underlying cash market in Taiwan, the Last Trading Day shall be the immediately preceding trading day in the underlying cash market in Taiwan, which may or may not be a Trading Day
Cash Settlement Value	Final Settlement Price multiplied by Contract Multiplier
Final Settlement Day	The first Trading Day after the Last Trading Day
Final Settlement Price	Official closing price of the underlying share on the Last

	Trading Day as quoted in the stock market on which the underlying share is listed in Taiwan
Settlement Method	Cash settled contract of difference
Settlement Currency	US dollar
Position Limits	5,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  5,000 open contracts, in any one Contract Month, per Client
Large Open Position	1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  1,000 open contracts, in any one Contract Month, per Client
Trading Fee Exchange Fee	USD0.45 per contract per side  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.  Exchange Participants shall pay the prescribed amount of Commission Levy and Investor Compensation Levy in US Dollar equivalent (at the conversion rate determined by the Exchange, rounded to the nearest US Cents).
Commission Rate	Negotiable



## REGULATIONS FOR TRADING STOCK FUTURES CONTRACTS

### INTERPRETATION

001 These Regulations may be cited as the Regulations for trading Stock Futures Contracts (hereinafter referred to as the "Regulations").

002 The Rules of the Exchange and the Clearing House Rules (referred to collectively as the "Rules") including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

"Adjustment" for any Stock Futures Contract, an adjustment pursuant to Regulations 009-010G;

"Buyer" the HKCC Participant registered as the buyer of a Stock Futures Contract pursuant to the Clearing House Rules;

"Cash Settlement Value" for any Stock Futures Contract, the Final Settlement Price multiplied by the Contract Multiplier;

"Clearing House margin" the sums or collateral from time to time required by the Clearing House in order to cover an HKCC Participant's trading liabilities;

"Clearing House Procedures" the procedures prescribed by the Clearing House as from time to time in force;

"Clearing House Rules" the rules of the Clearing House from time to time in force;

"Closing Quotation" the quotation established by the Clearing House at the end of a Trading Session for any Stock Futures Contract according to procedures as prescribed from time to time;

"Contract Month" in respect of any Stock Futures Contract, the month and year by which that contract is so designated by the Board for cash settlement under these Regulations and in which cash settlement of that contract must be made in accordance with these Regulations;

"Contract Multiplier"	for any Stock Futures Contract, the number so specified in the Contract Specifications;
"Contract Specifications"	those terms and conditions of a Stock Futures Contract as from time to time specified by the Board pursuant to Regulations 004-005;
"Contracted Price"	for any Stock Futures Contract, the price at which a Stock Futures Contract is registered by the Clearing House;
"Contracted Value"	in respect of any Stock Futures Contract, the Contracted Price multiplied by the Contract Multiplier;
"Final Settlement Day"	in respect of any Stock Futures Contract, the first Trading Day after the Last Trading Day;
"Final Settlement Price"	the price as determined by the Exchange pursuant to Regulation 012A or 012B;
"HKATS"	the Exchange's automated trading system, as defined in the Rules;
"Hong Kong Stock Futures Contract"	means a Stock Futures Contract, the underlying stock of which is listed on The Stock Exchange of Hong Kong Limited;
"International Stock Futures Contract"	means a Stock Futures Contract other than a Hong Kong Stock Futures Contract;
"Large Open Position"	the number of open Exchange Contracts determined by the Board to be a Large Open Position pursuant to Rule 628 of the Rules of the Exchange;
"Last Trading Day"	the last day of trading for a Stock Futures Contract subject to the Rules and as specified in the Contract Specifications;
"Minimum Fluctuation"	the minimum allowable movement in the price of any Stock Futures Contract as specified in the Contract Specifications;
"Rules of the Exchange"	the rules of the Exchange in force from time to time;
"Seller"	the HKCC Participant registered as the seller of a Stock Futures Contract pursuant to the Clearing House Rules;

"Settlement Currency"	in respect of any Stock Futures Contract, the currency in which the Stock Futures Contract shall be settled, as specified in the Contract Specifications;
"Spot Month"	in a given month: (i) on day(s) prior to and on the Last Trading Day of that month, a Spot Month Stock Futures Contract refers to a Stock Futures Contract traded on such days that has a Last Trading Day in that same given month; and (ii) on the day after the Last Trading Day of that month, a Spot Month Stock Futures Contract refers to a Stock Futures Contract traded on such a day that has a Last Trading Day in the immediately following month;
"stock"	has the same meaning as “securities” in the Rules of The Stock Exchange of Hong Kong Limited;
"Stock Futures Contract"	an Exchange Contract subject to these Regulations;
"Stock Futures Market"	a Market subject to these Regulations; and
"Trading Hours"	such period or periods, approved by the Board, within a Trading Day in which trading in any or all Stock Futures Contracts occurs, as specified in the applicable Contract Specifications.

## **APPLICABLE RULES AND REGULATIONS**

003 Trading in Stock Futures Contracts shall be subject to and governed by the Rules and these Regulations.

## **CONTRACT SPECIFICATIONS**

004 The Board shall specify the following terms and conditions for each Stock Futures Contract:

- (a) Adjustments;
- (b) Contract Months;
- (c) Contract Multiplier;
- (d) Contracted Value;
- (e) Final Settlement Day;
- (f) Final Settlement Price;
- (g) Large Open Position;
- (h) Last Trading Day;
- (i) Minimum Fluctuation;
- (j) Position Limits;
- (k) Price Quotation;
- (l) Trading Days;
- (m) Trading Hours;

- (n) Settlement Currency; and
- (o) Commission Rate.

005 Contract Specifications for Stock Futures Contracts may be changed from time to time by the Board in consultation with the Commission. Exchange Participants shall be given notice of any changes in the Contract Specifications prior to their implementation.

## **TRADING**

006 (a) The Stock Futures Market shall be open for trading on every Trading Day subject to the Rules of the Exchange and Regulation 007. Trading Hours shall be as prescribed by the Board from time to time.

(b) Trading in Stock Futures Contracts shall be carried out through HKATS in accordance with the Rules of the Exchange, these Regulations and the applicable Procedures.

(c) All bids and offers for Stock Futures Contracts shall be expressed in terms of a number in multiples of the Minimum Fluctuation. The Minimum Fluctuation shall be as prescribed in the Contract Specifications from time to time.

(d) Trading in Stock Futures Contracts shall be conducted in and confined to Exchange Contracts for the delivery, by cash settlement on the Final Settlement Day, of an amount in the Settlement Currency equal to the difference between the Cash Settlement Value and the Contracted Value of such Stock Futures Contracts.

007 Subject to the Rules of the Exchange, trading in Stock Futures Contracts in a given Contract Month shall cease at the close of Trading Hours on the Last Trading Day or at such other times as specified by the Board. Unless otherwise determined by the Exchange, the Exchange will, by notice to Exchange Participants using the Market Messages Window of HKATS and/or such other means as it considers appropriate, suspend trading of a Stock Futures Contract as soon as practicable after trading of the underlying stock is suspended in the stock market on which the underlying stock is listed. If the trading of the underlying stock has been suspended for three months or more, or if a shareholders' resolution is passed and the relevant regulatory authority's approval is granted for the privatization of the issuer of the underlying stock, the Chief Executive, in consultation with the Commission, may discontinue the trading of the Stock Futures Contract. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange directly or indirectly in connection with any such suspension of Stock Futures Contracts.

008 All disputes in relation to Stock Futures Contracts shall be dealt with in accordance with the Rules.

## **ADJUSTMENTS**

### ***Capital Adjustments***

- 009 (a) Adjustments to the share price are a common phenomenon arising naturally in the market when a company announces a share subdivision or a share consolidation or makes changes to its capital structure by way of rights issues, bonus issues, cash dividend payments etc. This adjustment occurs naturally in the market place as soon as the share trades ex-entitlement or the corporate action takes effect.
- (b) The value of a Stock Futures Contract on those shares will be changed unless an appropriate Adjustment is made to the Contract Specifications of the Stock Futures Contract. Adjustments to the Contracted Price and the Contract Multiplier of a Stock Futures Contract will keep the Stock Futures Contract value unchanged before and after the ex-entitlement day or the corporate action effective day.
- (c) The Exchange is responsible for determining the Adjustments to be made to the Contract Specifications of existing Stock Futures Contracts on those shares. The Exchange generally refers to the processes surrounding this as “capital adjustments”.

### ***Circumstances Which May Give Rise to Capital Adjustment***

- 010 (a) The procedures below consider two common types of events in which standard Adjustments will be made to the Contract Specifications of a Stock Futures Contract. They are entitlement events and corporate action events.
- (b) Special events like offering of shares in another company, change of domicile etc., which are not common entitlement or corporate events and standard Adjustments, may be dealt with by the Chief Executive in consultation with the Commission. Under such circumstances, the Chief Executive in consultation with the Commission, on a case by case basis, will decide whether an Adjustment is needed, and if so, the Adjustment method.

### ***Entitlement Events***

- 010A (a) Entitlement events generally take the form of a dividend payment, cash bonus, rights issue, bonus issue of shares, bonus issue of warrants or spin-off (with entitlement).
- (b) Generally, the Exchange will not perform any capital adjustment on a Stock Futures Contract for an ordinary cash dividend (whether or not it is offered with a scrip alternative). For any other forms of cash

distribution described by a company, such as a cash bonus, special dividend or extraordinary dividend, the Exchange will not perform any capital adjustment on a Stock Futures Contract unless the value of the payment is 2 per cent or more of the share's closing price on the day of the announcement. Under exceptional circumstances, the Exchange reserves its right to consider making capital adjustments on a case by case basis as it deems appropriate, after consultation with the Commission. For example, an exceptional circumstance may include a dividend payment described as a special dividend but which in essence is a regular payment arising from the normal course of business or an exceptionally large ordinary cash dividend payment involving a return of capital.

- (c) For rights issues, bonus issue of shares, bonus issue of warrants and spin-off, the Exchange will perform a capital adjustment irrespective of its size in relation to the underlying market price.
- (d) In the case of a combined entitlement event, for example, a bonus issue plus a simultaneous special dividend, the Exchange will conduct a combined capital adjustment only if the special dividend in isolation is 2 per cent or more of the share's closing price on the day of the announcement.

### ***Corporate Action Events***

- 010B (a) Corporate action events may take the form of share sub-division, share consolidation, merger and privatisation.
- (b) The Exchange will always perform a capital adjustment irrespective of the corporate action's effect on the underlying market price.

### ***Capital Adjustment Announcement***

- 010C As soon as the company makes an announcement which may require a capital adjustment, the Exchange will determine what effect it will have on the corresponding Stock Futures Contracts. The decision as to whether or not an Adjustment will be made to the Contract Specifications of existing Stock Futures Contracts on the relevant underlying stock, and the nature of that Adjustment, will be announced no later than the tenth Trading Day after the company announcement is made.

### ***Standard Adjustment Methodology***

- 010D For each Adjustment, there will be an adjustment ratio. In each case, the old Contracted Price of the Stock Futures Contract will be multiplied by this adjustment ratio to obtain the adjusted Contracted Price. The corresponding adjusted Contract Multiplier is obtained by dividing the old Contracted Value by the adjusted Contracted Price, unless otherwise specified. The old

Contracted Value is simply the product of the old Contracted Price and the old Contract Multiplier.

The following table describes the rules for all the standard capital adjustment events.

Event	Adjusted Contracted Price (ACP) =	Adjusted Contract Multiplier (ACM) =
<p><b>Rights Issue</b></p> <p>‘A’ new shares for ‘B’ old shares at C per share; where it closes at S on the last trading day prior to ex-rights day.</p>	<p>Old Contracted Price (OCP) times<sup>1</sup>:</p> $\frac{B + (A * C / S)}{A + B}$	$\frac{OCP * \text{Old Contract Multiplier}}{ACP}$
<p><b>Bonus Issue of Shares</b></p> <p>‘A’ new shares for ‘B’ old shares.</p>	<p>Old Contracted Price (OCP) times:</p> $\frac{B}{A + B}$	$\frac{OCP * \text{Old Contract Multiplier}}{ACP}$
<p><b>Bonus Issue of Warrants</b></p> <p>W is the theoretical value of bonus warrant entitlement per share one day prior to ex-date<sup>2</sup>.</p> <p>OD is ordinary cash dividend.</p> <p>The share closes at closing price S on the last trading day prior to the ex-date.</p>	<p>Old Contracted Price (OCP) times:</p> $\frac{S - OD - W}{S - OD}$ <p>Note: OD shall be deducted from S only if OD and the bonus warrants have the same ex-date.</p>	$\frac{OCP * \text{Old Contract Multiplier}}{ACP}$

<p><b>Share Consolidation</b></p> <p>X shares consolidate into Y shares.</p>	<p>Old Contracted Price (OCP) times:</p> $\frac{X}{Y}$	<p>OCP * Old Contract Multiplier</p> $\frac{\text{-----}}{\text{ACP}}$
<p><b>Share Sub-division</b></p> <p>X shares sub-divided into Y shares.</p>	<p>Old Contracted Price (OCP) times:</p> $\frac{X}{Y}$	<p>OCP * Old Contract Multiplier</p> $\frac{\text{-----}}{\text{ACP}}$
<p><b>Merger (Shares+Cash)</b></p> <p>Y shares in new company and Z amount of cash for every X shares in old company; where it closes at closing price S on the last trading day.</p>	<p>Old Contracted Price (OCP) times:</p> $\frac{X-Z/S}{Y}$	<p>OCP * Old Contract Multiplier</p> $\frac{\text{-----}}{\text{ACP}}$
<p><b>Merger (Shares Only)</b></p> <p>Y shares in new company for X shares in old company.</p>	<p>Old Contracted Price (OCP) times:</p> $\frac{X}{Y}$	<p>OCP * Old Contract Multiplier</p> $\frac{\text{-----}}{\text{ACP}}$
<p><b>Privatisation / Merger (Cash Only)</b></p>	<ul style="list-style-type: none"> <li>• The Exchange will announce a Last Day of Dealing (“LDD”) on the contracts, which is subject to conditions of the offer being satisfied.</li> <li>• Contracts will be cash-settled based on the share offer price/cancellation price immediately after the LDD if the offer has become unconditional.</li> </ul>	
<p><b>Spin-off<sup>3</sup> (with Entitlement)</b></p> <p>E is the value of the entitlement of the spin-off calculated using VWAP<sup>4</sup> on its first trading day.</p>	<p>Old Contracted Price (OCP) times:</p> $\frac{S}{S + E}$	<p>If S/S+E is equal to or above the Exchange’s prescribed limit<sup>5</sup></p> <p>OCP * Old Contract Multiplier</p> $\frac{\text{-----}}{\text{-----}}$



<p>S is the value of the share calculated using VWAP<sup>4</sup> on E's first trading day.</p>		<p style="text-align: center;">ACP</p> <p>If S/S+E is below the Exchange's prescribed limit<sup>5</sup></p> <p style="text-align: center;">Old Contract Multiplier ----- the Exchange's prescribed limit<sup>5</sup></p>
<p><b>Other forms of Cash Distribution (CD), such as a special dividend, cash bonus or extraordinary dividend</b></p> <p>No capital adjustment unless CD is 2% or more of the share's closing price on the dividend announcement day.</p> <p>OD is ordinary cash dividend.</p> <p>The share closes at closing price S on the last trading day prior to the ex-date.</p>	<p>Old Contracted Price (OCP) times:</p> $\frac{S - OD - CD}{S - OD}$ <p>Note: OD shall be deducted from S only if OD and CD have the same ex-date.</p>	<p>OCP * Old Contract Multiplier ----- ACP</p>

<sup>1</sup> Adjustment will only be made if the adjustment ratio is smaller than 1.

<sup>2</sup> The theoretical value is determined by HKCC based on such pricing parameters from such market makers as it may consider appropriate.

<sup>3</sup> No capital adjustment will be made in respect of any preferential offering arising from a spin-off as entitlement will not be extended to all shareholders. Adjustments in respect of spin-offs which do not involve the listing of the relevant company's shares will be considered on a case-by-case basis.

<sup>4</sup> The Volume Weighted Average Price (VWAP) is determined by calculating the summation of the value of each transaction (i.e. price multiplied by number of shares traded) and then dividing it by the total shares traded for the day.

<sup>5</sup> The Exchange's prescribed limit shall be such adjustment ratio floor value as may be prescribed by the Exchange from time to time.

In cases where a cash or scrip alternative is offered, the capital adjustments will be based on the cash version of the payout. If the cash payment is in a currency which is not the Settlement Currency, it will be converted to the Settlement Currency at the exchange rate determined by the Clearing House.

***Effective Day of Capital Adjustment***

- 010E (a) The Adjustment will take effect on the ex-date of the entitlement event or on the effective date of the corporate action event.
- (b) For entitlement events, the capital adjustment process will be

conducted before the trading session immediately following the last day the share is traded cum-entitlement.

- (c) The capital adjustment process conducted by the Exchange for stock splits and consolidations will occur before the corporate action effective date announced by the issuer of the underlying securities.

### *Effect of Capital Adjustment*

010F The following describes how existing Contract Specifications, open positions and settlement are being treated under the capital adjustment process of the Exchange:

- (a) Adjustment of Contract Specifications for Existing Stock Futures Contracts

Using the adjustment ratio (see table above), the Contracted Price and Contract Multiplier of all existing Stock Futures Contracts on the relevant underlying stock are adjusted. As a result of rounding, the adjusted Contract Multiplier may result in odd lots as well as fractional shares.

While adjusted Stock Futures Contracts can still be traded, new standard Stock Futures Contracts will be introduced in accordance with the standard procedures for issuing new contracts. Therefore, in respect of Stock Futures Contracts on the relevant underlying stock, there will be some whose Contract Multipliers are standard and there will be others whose Contract Multipliers are adjusted.

- (b) Open Positions

The number of open positions in each old Stock Futures Contract will be transferred to the respective adjusted Stock Futures Contract. It should be noted that only the Contracted Price and Contract Multiplier are being adjusted and there will not be any changes to the number of open positions whatsoever after the Adjustment, unless there is a change in board lot size of the underlying stock.

- (c) Settlement of Adjusted Stock Futures Contracts

Adjusted Stock Futures Contracts shall be settled in cash on the Final Settlement Day in accordance with the Clearing House Rules.

### *Changes To Capital Adjustment Announced By Issuer*

010G If there is any change to a corporate action event announced by an issuer after the underlying stock has traded ex-all entitlements, the Chief Executive

will investigate and, in consultation with the Commission, determine any necessary further action.

## **FINAL SETTLEMENT PRICE**

- 011 The Exchange shall announce the Final Settlement Price as soon as practicable after it has been determined.
- 012A The Final Settlement Price of a Hong Kong Stock Futures Contract shall, subject to Regulation 013, be the official closing price of the underlying stock as quoted by SEHK on the Last Trading Day, rounded to the nearest cent, as published by the Exchange, provided that if no official closing price is available on the Last Trading Day due to events including but not limited to trading suspension of the underlying stock, the Final Settlement Price of a Hong Kong Stock Futures Contract shall be the last available official closing price of the underlying stock as quoted by SEHK before the Last Trading Day.
- 012B The Final Settlement Price of an International Stock Futures Contract shall, subject to Regulation 013, be the official closing price on the Last Trading Day of the underlying stock as quoted in the cash market on which the underlying stock is listed. The Exchange may determine the cash market to be used for determining the Final Settlement Price.
- 013 If, in the opinion of the Chief Executive, circumstances are developing or have developed which are capable of preventing calculation of the Final Settlement Price, or which may render a Final Settlement Price unrepresentative of the level of prices at which the underlying stock is traded during the Last Trading Day in the cash market, then the Chief Executive, after consultation with the Commission, may either on his own or in conjunction with the Clearing House take such steps as he deems appropriate to enable the Final Settlement Price to be determined including, but not limited to, the designation of the closing price of the relevant Spot Month contract as the Final Settlement Price.

## **CASH SETTLEMENT**

- 014 (a) The obligations of the Buyer and the Seller under a Stock Futures Contract are as follows:
- (i) If the Contracted Value is less than the Cash Settlement Value, the Seller shall be liable to pay to the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
  - (ii) If the Contracted Value is greater than the Cash Settlement Value, the Buyer shall be liable to pay to the Clearing House the difference between that Contracted Value and the Cash

### Settlement Value.

- (b) The rights of the Buyer and the Seller under a Stock Futures Contract are as follows:
  - (i) If the Contracted Value is less than the Cash Settlement Value, the Buyer shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
  - (ii) If the Contracted Value is greater than the Cash Settlement Value, the Seller shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value.

015 The obligations and rights of the Buyer and the Seller shall be satisfied by cash settlement in the Settlement Currency by or with the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

### **SETTLEMENT CURRENCY AND CONVERSION RATES**

015A In respect of any International Stock Futures Contract that is not settled in Hong Kong dollars and whose Settlement Currency is different from the currency in which the International Stock Futures Contract is traded, the amount required to be settled by an Exchange Participant on the Final Settlement Day shall be converted to the Settlement Currency equivalent. The conversion rate to be applied shall be the exchange rate obtained by the Clearing House at 9:00 a.m. on the Last Trading Day from such source as it shall consider appropriate.

015B The Clearing House will promptly announce these rates after they are determined. Exchange Participants must use these rates for conversions at the Client account level.

### **REGISTRATION**

016 All Exchange Participants trading in Stock Futures Contracts shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing of Stock Futures Contracts.

### **COMMISSIONS AND LEVIES**

017 The rate of commission for each Stock Futures Contract shall be negotiable between an Exchange Participant and its Client but shall not be less than any minimum rate of commission prescribed from time to time by the Board.

018 Every Stock Futures Contract shall be subject to an Exchange Fee which shall become immediately payable to the Exchange upon registration of the

Stock Futures Contract with the Clearing House. The Exchange Fee shall be set from time to time by the Board and shall be paid to the Exchange through the Clearing House.

- 018A (a) Hong Kong Stock Futures Contracts shall be classified into three tiers as follows with reference to their nominal values and the rate of Exchange Fee for each Hong Kong Stock Futures Contract will depend on the tier of the Stock Futures Contract:

<u>Hong Kong Stock Futures Contract</u>	<u>Nominal value per contract</u>
Tier 1	More than HK\$25,000 (or an equivalent amount)
Tier 2	More than HK\$10,000 and up to HK\$25,000 (or an equivalent amount)
Tier 3	Equal to or less than HK\$10,000 (or an equivalent amount)

- (b) Unless otherwise expressly specified by the Exchange, the nominal value of a Hong Kong Stock Futures Contract will be determined by the Exchange at its absolute discretion with reference to the prevailing official closing price of the underlying stock before introduction of such Hong Kong Stock Futures Contract. If the underlying stock has no prior trading on the Exchange, the nominal value shall be the final offer price (exclusive of brokerage, AFRC Transaction Levy payable pursuant to the Accounting and Financial Reporting Council Ordinance, and SFC Transaction Levy and Investor Compensation Levy payable pursuant to the Ordinance) under the initial public offering of the underlying stock, and if the final offer price has not been decided at the time of determination of the nominal value, the lowest price of the indicative offer price range stated in the prospectus or such other reference or indicative price as the Exchange may consider appropriate. The Exchange will review the nominal value of each Hong Kong Stock Futures Contract on an annual basis to adjust for any substantial changes due to market development or as and when there are capital adjustments to the underlying stock of the Hong Kong Stock Futures Contract.
- (c) The classification of the Hong Kong Stock Futures Contracts into the three tiers and the re-classification from time to time of any Hong Kong Stock Futures Contract will be notified to Exchange Participants via HKATS, email or such other means as the Exchange considers appropriate.

- 019 All levies required to be paid pursuant to the Ordinance in consequence of trading in Stock Futures Contracts shall be paid to the Exchange through the Clearing House as the Exchange shall, in consultation with the Commission, prescribe from time to time.

## **MARGIN AND VARIATION ADJUSTMENTS**

- 020 Margin, additional margin and variation adjustments (including Clearing House margin, Clearing House additional margin and Clearing House variation adjustment) shall be set, collected or distributed in respect of Stock Futures Contracts in accordance with these Regulations, the Rules and the Clearing House Procedures. The Closing Quotation for each open position in Stock Futures Contracts shall be determined by the Clearing House according to the Clearing House Procedures.

## **POSITION LIMITS**

- 021A (a) The Chief Executive shall impose position limits on Exchange Participants and their Clients as specified in the Contract Specifications and provided for in the Rules.
- (b) Subject to Rules 629(e) and 630(e), the Chief Executive may, on a case-by-case basis, increase, decrease or remove the position limits imposed pursuant to the Rules by giving notice in writing to the Clearing House, the Exchange Participant and the Commission.
- (c) The Chief Executive shall not be required to give any reasons for his decision to increase, decrease or remove the position limits pursuant to the Rules.
- (d) Failure to comply with the position limits is governed by the Rules.
- (e) Subject to Rules 629(e) and 630(e), the Chief Executive may approve higher position limits for Market Makers.
- 021B Without prejudice to the powers of the Chief Executive under Rules 629(a), 629(c), 630(a) and 630(c), the position limits currently applicable to Hong Kong Stock Futures Contracts are classified into 5 levels, namely 25,000, 20,000, 15,000, 10,000 and 5,000 net contracts, in all Contract Months combined. The applicable level of position limit of a Hong Kong Stock Futures Contract is determined by reference to the following methodology:

The position limit level applicable to a Hong Kong Stock Futures Contract is determined based on its contract-equivalent number and shall be calculated by reference to the market capitalization and liquidity of the underlying stock relating to that Hong Kong Stock Futures Contract.

<b>Contract-equivalent number (X)</b>	<b>Position limit</b>
25,000 contracts $\leq X$	25,000 contracts
20,000 $\leq X < 25,000$ contracts	20,000 contracts
15,000 $\leq X < 20,000$ contracts	15,000 contracts
10,000 $\leq X < 15,000$ contracts	10,000 contracts
$X < 10,000$ contracts	5,000 contracts

where:

$X = 5\%$  of the outstanding shares divided by the Contract Multiplier subject to the provisions set out below:

- (i) if 5% of the outstanding shares is less than 25 % of the stock's turnover for the previous six months (the "25% Threshold"), X shall be deemed to be equal to the 25% Threshold divided by the Contract Multiplier subject to (iii) below;
- (ii) if 5% of the outstanding shares is greater than 33 % of the stock's turnover for the previous six months (the "33% Threshold"), X shall be deemed to be equal to the 33% Threshold divided by the Contract Multiplier subject to (iii) below; and
- (iii) if X as calculated above is more than the Liquidity Threshold divided by the Contract Multiplier, it shall be deemed to be equal to the Liquidity Threshold divided by the Contract Multiplier. "Liquidity Threshold" means 1.34 % of the stock's turnover in the previous six months.

The Liquidity Threshold could be revised from time to time as deemed appropriate by the Exchange.

The position limits will be reviewed regularly on an annual basis to adjust for any substantial changes due to market development. The formula above will be applied to all Stock Futures Contracts at the end of November each year, and if revisions are required, the updated position limits will be announced in December in the same year, and they will take effect on the first Business Day of April in the next calendar year.

Note : The Commission may also impose contract limits under the Ordinance.

## **LARGE OPEN POSITIONS**

- 022 (a) The Board shall specify Large Open Positions in respect of Stock Futures Contracts as provided for in the Rules and the applicable Procedures. The Board shall specify such Large Open Positions in the Contract Specifications.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated HKEX staff as required by the Rules and the Exchange Procedures.

#### **APPROVAL TO CONDUCT BUSINESS IN STOCK FUTURES CONTRACTS**

- 023 (a) Exchange Participants must seek approval from the Exchange in order to trade Stock Futures Contracts.
- (b) The Exchange may, in its absolute discretion, grant or withhold such approval or grant its approval subject to such restrictions or conditions as it shall deem fit and the decision of the Exchange shall be final and conclusive.
- (c) In the exercise of its discretion, the Exchange will take into account, among other things, whether the Exchange Participant:-
- (i) has installed the HKATS equipment to the satisfaction of the Exchange;
  - (ii) (deleted)
  - (iii) is financially and operationally capable of fulfilling all obligations related to participation in the Stock Futures Market; and
  - (iv) has adequate internal control and risk management procedures in place.

In applying for registration, every person shall follow the procedures prescribed by the Exchange from time to time.

024 (deleted)

025 (deleted)

#### **NON-COMPLIANCE**

- 026 An Exchange Participant which does not comply with these Regulations, the Rules and the applicable Procedures in any respect shall be liable to disciplinary proceedings under the Rules.



## **SELECTION CRITERIA**

### ***Hong Kong Stock Futures Contracts***

- 027 The Chief Executive may, in consultation with the Commission, introduce the trading of a Hong Kong Stock Futures Contract from time to time. Exchange Participants shall be notified of the introduction of any Hong Kong Stock Futures Contracts.
- 028 A stock is eligible to be an underlying stock of a Hong Kong Stock Futures Contract if it has been listed on the SEHK for a period of either:
- (a) 60 consecutive trading days during which dealing in the underlying stock has not been suspended; or
  - (b) not more than 70 consecutive trading days comprising 60 trading days during which dealing in the underlying stock has not been suspended, i.e. not more than 10 trading days of trading suspension during the 70 consecutive trading days; and

the public float capitalisation (i.e. stocks in the hands of the public pursuant to Chapter 8 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of the stock is at least HK\$4 billion except where the public float capitalisation of the stock exceeds HK\$10 billion, in which case the requirements set forth in paragraphs (a) and (b) above may be exempted.

## **LIQUIDITY PROVISION**

- 029 Notwithstanding anything contained in the Rules, the Exchange may from time to time, in its absolute discretion, appoint Exchange Participants to provide liquidity for Stock Futures Contracts in the Stock Futures Market at any time and on such terms and conditions as the parties may agree. For the avoidance of doubt, the terms and conditions of any appointment, including the liquidity providing activities, the liquidity providing arrangements, the liquidity providing requirements, the Exchange Fee concessions and/or other incentives upon meeting the liquidity providing requirements, are subject to negotiation between the Exchange and the relevant Exchange Participant and may therefore vary among different appointments of different Exchange Participants.

## **CONTRACT SPECIFICATIONS FOR OPTIONS ON STOCK FUTURES CONTRACTS**

### **I. OPTIONS ON US STOCK FUTURES**

Note: Trading of the Options on US Stock Futures Contracts has been suspended until further notice.

## OPTIONS ON US STOCK FUTURES CONTRACT SPECIFICATIONS

Underlying Contract	One underlying Stock Futures Contract
Contract Months	Spot Month, the next two calendar months, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Trading Hours	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Hours on Expiry Day	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Days	Same as US Stock Futures Contracts
Expiry Day	The third Friday of the Contract Month
Price Quotation	Refer to List of Options on US Stock Futures Contracts above
Option Premium	Quoted in multiples of the Minimum Fluctuation
Contracted Value	Option Premium multiplied by the Contract Multiplier of the underlying Stock Futures Contract
Strike Prices	Strike Prices shall be set as follows:

<u>Underlying price (USD)</u>	<u>Interval</u>
5 – 25	2.50
25 – 200	5.00
over 200	10.00

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month underlying Stock Futures Contract for any day prior to the Expiry Day; and (ii) the next month underlying Stock Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be

determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Adjustments	Adjustments will be made to the Strike Price to reflect events such as dividends, share splits, bonus and rights issues, etc. in accordance with the Regulations for Trading Options on Stock Futures Contracts. For special events such as distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., the Chief Executive, in consultation with the Commission, will have the ultimate authority to make an Adjustment where he deems an Adjustment to be appropriate. The Adjustments shall be final and binding.
Exercise Style (European)	Options may only be exercised at expiration
Settlement on Exercise	Cash settlement of the Final Settlement Value
Settlement Currency	US dollar
Final Settlement Day	The first Trading Day after the Expiry Day
Official Settlement Price	The Official Settlement Price shall be the Final Settlement Price of the underlying Stock Futures Contract determined by the Clearing House
Position Limits	50,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  50,000 open contracts, in any one Contract Month, per Client
Large Open Positions	10,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  10,000 open contracts, in any one Contract Month, per Client
Minimum Fluctuation	USD0.01
Trading Fee Exchange Fee	USD0.25 per contract per side  The amount indicated above is subject to change from time to time.
Levies	Commission Levy and Investor Compensation Levy are

(per contract per side)	payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.
	Exchange Participants shall pay the prescribed amount of Commission Levy and Investor Compensation Levy in US Dollar equivalent (at the conversion rate determined by the Exchange, rounded to the nearest US Cents).
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable.
Exercise Fee	A fee of USD0.25 will be charged by the Exchange for each contract exercised. Contracts that are not exercised shall be deemed to have expired worthless and will not be assessed an exercise fee
Commission Rate	Negotiable

## **CONTRACT SPECIFICATIONS FOR OPTIONS ON STOCK FUTURES CONTRACTS**

### **II. OPTIONS ON JAPANESE STOCK FUTURES**

Note: Trading of the Options on Japanese Stock Futures Contracts has been suspended until further notice.

## OPTIONS ON JAPANESE STOCK FUTURES CONTRACT SPECIFICATIONS

Underlying Contract	One underlying Stock Futures Contract
Contract Months	Spot Month, the next two calendar months, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Trading Hours	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Hours on Expiry Day	8:00 a.m. - 2:00 p.m.* (Hong Kong time) (*Closing hour on the Expiry Day shall be adjusted automatically to correspond with the closing hour of the underlying cash market, as it may be set from time to time)
Trading Days	Same as Japanese Stock Futures Contracts
Expiry Day	The second last Trading Day of the Contract Month, provided that if that day is not a trading day in the underlying cash market in Japan, the Expiry Day shall be the immediately preceding trading day in the underlying cash market in Japan, which may or may not be a Trading Day
Price Quotation	Refer to List of Options on Japanese Stock Futures Contracts above
Option Premium	Quoted in multiples of the Minimum Fluctuation
Contracted Value	Option Premium multiplied by the Contract Multiplier of the underlying Stock Futures Contract
Strike Prices	Strike Prices shall be set as follows:

<u>Underlying price (¥)</u>	<u>Interval</u>
Less than 500	25
501 – 1,000	50
1,001 – 2,000	100
2,001 – 5,000	200
5,001 – 10,000	500
10,001 – 50,000	1,000
50,001 – 100,000	2,500
100,001 – 200,000	10,000
200,001 – 500,000	20,000
500,001 – 1,000,000	50,000
1,000,001 – 2,000,000	100,000
2,000,001 – 5,000,000	200,000
5,000,001 – 10,000,000	500,000
10,000,001 – 20,000,000	1,000,000
20,000,001 – 50,000,000	2,000,000
Greater than 50,000,000	5,000,000

On any Trading Day, new consecutive Strike Prices may be

set for, or added to, each Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month underlying Stock Futures Contract for any day prior to the Expiry Day; and (ii) the next month underlying Stock Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

#### Adjustments

Adjustments will be made to the Strike Price to reflect events such as dividends, share splits, bonus and rights issues, etc. in accordance with the Regulations for Trading Options on Stock Futures Contracts. For special events such as distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., the Chief Executive, in consultation with the Commission, will have the ultimate authority to make an Adjustment where he deems an Adjustment to be appropriate. The Adjustments shall be final and binding.

#### Exercise Style (European)

Options may only be exercised at expiration

#### Settlement on Exercise

Cash settlement of the Final Settlement Value

#### Settlement Currency

US dollar

#### Final Settlement Day

The first Trading Day after the Expiry Day

#### Official Settlement Price

The Official Settlement Price shall be the Final Settlement Price of the underlying Stock Futures Contract determined by the Clearing House

#### Position Limits

50,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and

50,000 open contracts, in any one Contract Month, per Client



Large Open Positions	10,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  10,000 open contracts, in any one Contract Month, per Client
Minimum Fluctuation	¥1 multiplied by the unit specified in the List of Options on Japanese Stock Futures Contracts above
Trading Fee Exchange Fee	USD0.25 per contract per side  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.  Exchange Participants shall pay the prescribed amount of Commission Levy and Investor Compensation Levy in US Dollar equivalent (at the conversion rate determined by the Exchange, rounded to the nearest US Cents).
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable.
Exercise Fee	A fee of USD0.25 will be charged by the Exchange for each contract exercised. Contracts that are not exercised shall be deemed to have expired worthless and will not be assessed an exercise fee
Commission Rate	Negotiable

## **CONTRACT SPECIFICATIONS FOR OPTIONS ON STOCK FUTURES CONTRACTS**

### **III. OPTIONS ON KOREAN STOCK FUTURES**

Note: Trading of the Options on Korean Stock Futures Contracts has been suspended until further notice.

## OPTIONS ON KOREAN STOCK FUTURES CONTRACT SPECIFICATIONS

Underlying Contract	One underlying Stock Futures Contract
Contract Months	Spot Month, the next two calendar months, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Trading Hours	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Hours on Expiry Day	8:00 a.m. - 2:00 p.m.* (Hong Kong time) (*Closing hour on the Expiry Day shall be adjusted automatically to correspond with the closing hour of the underlying cash market, as it may be set from time to time)
Trading Days	Same as Korean Stock Futures Contracts
Expiry Day	The second last Trading Day of the Contract Month provided that if that day is not a trading day in the underlying cash market in South Korea, the Expiry Day shall be the immediately preceding trading day in the underlying cash market in South Korea, which may or may not be a Trading Day
Price Quotation	Refer to List of Options on Korean Stock Futures Contracts above
Option Premium	Quoted in multiples of the Minimum Fluctuation
Contracted Value	Option Premium multiplied by the Contract Multiplier of the underlying Stock Futures Contract
Strike Prices	Strike Prices shall be set as follows:

<u>Underlying price (KRW)</u>	<u>Interval</u>
Less than 500	25
501 – 1,000	50
1,001 – 2,000	100
2,001 – 5,000	200
5,001 – 10,000	500
10,001 – 50,000	1,000
50,001 – 100,000	2,500
100,001 – 200,000	10,000
200,001 – 500,000	20,000
500,001 – 1,000,000	50,000
1,000,001 – 2,000,000	100,000
2,000,001 – 5,000,000	200,000
5,000,001 – 10,000,000	500,000
10,000,001 – 20,000,000	1,000,000
20,000,001 – 50,000,000	2,000,000
Greater than 50,000,000	5,000,000

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month underlying Stock Futures Contract for any day prior to the Expiry Day; and (ii) the next month underlying Stock Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Adjustments

Adjustments will be made to the Strike Price to reflect events such as dividends, share splits, bonus and rights issues, etc. in accordance with the Regulations for Trading Options on Stock Futures Contracts. For special events such as distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., the Chief Executive, in consultation with the Commission, will have the ultimate authority to make an Adjustment where he deems an Adjustment to be appropriate. The Adjustments shall be final and binding.

Exercise Style (European)

Options may only be exercised at expiration

Settlement on Exercise

Cash settlement of the Final Settlement Value

Settlement Currency

US dollar

Final Settlement Day

The first Trading Day after the Expiry Day

Official Settlement Price

The Official Settlement Price shall be the Final Settlement Price of the underlying Stock Futures Contract determined by the Clearing House

Position Limits

5,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and

5,000 open contracts, in any one Contract Month, per Client

Large Open Positions	1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  1,000 open contracts, in any one Contract Month, per Client
Minimum Fluctuation	KRW 1 multiplied by the unit specified in the List of Options on Korean Stock Futures Contracts above
Trading Fee Exchange Fee	USD0.45 per contract per side  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.  Exchange Participants shall pay the prescribed amount of Commission Levy and Investor Compensation Levy in US Dollar equivalent (at the conversion rate determined by the Exchange, rounded to the nearest US Cents).
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable.
Exercise Fee	A fee of USD0.45 will be charged by the Exchange for each contract exercised. Contracts that are not exercised shall be deemed to have expired worthless and will not be assessed an exercise fee
Commission Rate	Negotiable

**CONTRACT SPECIFICATIONS FOR OPTIONS ON STOCK FUTURES CONTRACTS**

**IV. OPTIONS ON TAIWANESE STOCK FUTURES**

Note: Trading of the Options on Taiwanese Stock Futures Contracts has been suspended until further notice.

## OPTIONS ON TAIWANESE STOCK FUTURES CONTRACT SPECIFICATIONS

Underlying Contract	One underlying Stock Futures Contract
Contract Months	Spot Month, the next two calendar months, and the next two calendar quarter months (i.e. quarterly months are March, June, September and December)
Trading Hours	8:00 a.m. - 5:00 p.m. (Hong Kong time)
Trading Hours on Expiry Day	8:00 a.m. - 1:30 p.m.* (Hong Kong time) (*Closing hour on the Expiry Day shall be adjusted automatically to correspond with the closing hour of the underlying cash market, as it may be set from time to time)
Trading Days	Same as Taiwanese Stock Futures Contracts
Expiry Day	The second last Trading Day of the Contract Month, provided that if that day is not a trading day in the underlying cash market in Taiwan, the Expiry Day shall be the immediately preceding trading day in the underlying cash market in Taiwan, which may or may not be a Trading Day
Price Quotation	Refer to List of Options on Taiwanese Stock Futures Contracts above
Option Premium	Quoted in multiples of the Minimum Fluctuation
Contracted Value	Option Premium multiplied by the Contract Multiplier of the underlying Stock Futures Contract
Strike Prices	Strike Prices shall be set as follows:

<u>Underlying price (NT\$)</u>	<u>Interval</u>
Less than 2	0.10
2 – 5	0.20
6 – 10	0.50
11 – 20	1.00
21 – 50	2.00
51 – 200	5.00
201 – 300	10.00
301 – 500	20.00
Greater than 500	50.00

On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Trading Day's Closing Quotation (as defined in the Clearing House Rules) of (i) the

Spot Month underlying Stock Futures Contract for any day prior to the Expiry Day; and (ii) the next month underlying Stock Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Adjustments	Adjustments will be made to the Strike Price to reflect events such as dividends, share splits, bonus and rights issues, etc. in accordance with the Regulations for Trading Options on Stock Futures Contracts. For special events such as distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., the Chief Executive, in consultation with the Commission, will have the ultimate authority to make an Adjustment where he deems an Adjustment to be appropriate. The Adjustments shall be final and binding.
Exercise Style (European)	Options may only be exercised at expiration
Settlement on Exercise	Cash settlement of the Final Settlement Value
Settlement Currency	US dollar
Final Settlement Day	The first Trading Day after the Expiry Day
Official Settlement Price	The Official Settlement Price shall be the Final Settlement Price of the underlying Stock Futures Contract determined by the Clearing House
Position Limits	5,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  5,000 open contracts, in any one Contract Month, per Client
Large Open Positions	1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own account; and  1,000 open contracts, in any one Contract Month, per Client



Minimum Fluctuation	NT\$0.01
Trading Fee Exchange Fee	USD0.45 per contract per side  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.  Exchange Participants shall pay the prescribed amount of Commission Levy and Investor Compensation Levy in US Dollar equivalent (at the conversion rate determined by the Exchange, rounded to the nearest US Cents).
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable.
Exercise Fee	A fee of USD0.45 will be charged by the Exchange for each contract exercised. Contracts that are not exercised shall be deemed to have expired worthless and will not be assessed an exercise fee
Commission Rate	Negotiable

# REGULATIONS FOR TRADING OPTIONS ON STOCK FUTURES CONTRACTS

## INTERPRETATION

001 These Regulations may be cited as the Regulations for trading Options on Stock Futures Contracts (hereinafter referred to as the "Regulations").

002 The Rules of the Exchange and the Clearing House Rules (referred to collectively as the "Rules") including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

"Adjustment"	For any Options on Stock Futures Contract, an adjustment pursuant to Regulations 009-010G;
"Buyer"	the HKCC Participant registered as the buyer of an Options on Stock Futures Contract pursuant to the Clearing House Rules;
"Cabinet Trade"	an option which is executed at a price prescribed by the Exchange as the Minimum Fluctuation;
"Clearing House Margin"	the sums or collateral from time to time required by the Clearing House in order to cover an HKCC Participant's trading liabilities;
"Clearing House Procedures"	the procedures prescribed by the Clearing House as from time to time in force;
"Clearing House Rules"	the rules of the Clearing House from time to time in force;
"Closing Quotation"	the quotation established by the Clearing House at the end of a Trading Session for any Options on Stock Futures Contract according to procedures as prescribed from time to time;
"Contract Month"	the month and year in which an option expires;
"Contract Specifications"	those terms and conditions of an Options on Stock Futures Contract as from time to time specified by the

Board pursuant to Regulations 004-005;

"Contracted Value"	in respect of any Options on Stock Futures Contract, the Option Premium multiplied by the Contract Multiplier of the underlying Stock Futures Contract;
"Expiry Day"	the Trading Day on which an Options on Stock Futures Contract can be exercised subject to Rule 901 of the Rules of the Exchange and as specified in the Contract Specifications;
"Final Settlement Day"	in respect of any Options on Stock Futures Contract, the first Trading Day after the Expiry Day;
"Final Settlement Value"	the value of an Option on Stock Futures Contract as specified in Regulation 014;
"HKATS"	the Exchange's automated trading system, as defined in the Rules;
"Holder"	an HKCC Participant which holds a long option position;
"Large Open Position"	the number of open Exchange Contracts determined by the Board to be a Large Open Position pursuant to Rule 628 of the Rules of the Exchange;
"Minimum Fluctuation"	the minimum allowable movement in the price of any Options on Stock Futures Contract as specified in the Contract Specifications;
"Official Settlement Price"	the price of the underlying Stock Futures Contract on exercise of the option as determined by the Clearing House and calculated in accordance with the Contract Specifications;
"Option Premium"	the price at which an option is bought or sold excluding any commissions, trading fees and applicable levies;
"Options on Stock Futures Contract" or "option"	an Exchange Contract subject to these Regulations;
"Options on Stock Futures Market"	a Market subject to these Regulations;
"Rules of the Exchange"	the rules of the Exchange in force from time to time;

"Settlement Currency"	in respect of any Options on Stock Futures Contract, the currency in which the Options on Stock Futures Contract shall be settled, as specified in the Contract Specifications;
"Spot Month"	in a given month: (i) on day(s) prior to and on the Expiry Day of that month, a Spot Month Options on Stock Futures Contract refers to an Options on Stock Futures Contract traded on such days that has an Expiry Day in that same given month; and (ii) on the day after the Expiry Day of that month, a Spot Month Options on Stock Futures Contract refers to an Options on Stock Futures Contract traded on such a day that has an Expiry Day in the immediately following month;
"Trading Hours"	such period or periods, approved by the Board, within a Trading Day in which trading in any or all Stock Futures Contracts occurs, as specified in the applicable Contract Specifications; and
"Writer"	an HKCC Participant which holds a short option position.

## **APPLICABLE RULES AND REGULATIONS**

003 Trading in Options on Stock Futures Contracts shall be subject to and governed by the Rules and these Regulations.

## **CONTRACT SPECIFICATIONS**

004 The Board shall specify the following terms and conditions for each Options on Stock Futures Contract:

- (a) Adjustments;
- (b) Cabinet Trade;
- (c) Contract Months;
- (d) Contracted Value;
- (e) Exercise Style;
- (f) Expiry Day;
- (g) Final Settlement Day;
- (h) Large Open Position;
- (i) Minimum Fluctuation;
- (j) Option Premium;
- (k) Position Limits;
- (l) Price Quotation;
- (m) Settlement Currency;
- (n) Settlement on Exercise;

- (o) Strike Prices;
- (p) Trading Days;
- (q) Trading Hours;
- (r) Underlying Contract; and
- (s) Commission Rate.

005 Contract Specifications for Options on Stock Futures Contracts may be changed from time to time by the Board in consultation with the Commission. Exchange Participants shall be given notice of any changes in the Contract Specifications prior to their implementation.

## **TRADING**

006 (a) The Options on Stock Futures Market shall be open for trading on every Trading Day subject to the Rules of the Exchange and Regulation 007. Trading Hours shall be as prescribed by the Board from time to time.

(b) Trading in Options on Stock Futures Contracts shall be carried out through HKATS in accordance with the Rules of the Exchange, these Regulations and the applicable Procedures.

(c) All bids and offers for Options on Stock Futures Contracts shall be expressed in terms of a number in multiples of the Minimum Fluctuation. The Minimum Fluctuation shall be as prescribed in the Contract Specifications from time to time.

(d) Trading in Options on Stock Futures Contracts shall be conducted in and confined to Exchange Contracts for the delivery, by cash settlement on the Final Settlement Day, of an amount in the Settlement Currency equal to the Final Settlement Value of such Options on Stock Futures Contracts.

007 Subject to the Rules of the Exchange, trading in Options on Stock Futures Contracts in a given Contract Month shall cease at the close of Trading Hours on the Expiry Day or at such other times as specified by the Board. Unless otherwise determined by the Exchange, the Exchange will, by notice to Exchange Participants using the Market Messages Window of HKATS and/or such other means as it considers appropriate, suspend trading of an Options on Stock Futures Contract as soon as practicable after trading of the underlying share of its underlying Stock Futures Contract is suspended in the stock market on which the underlying share is listed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange directly or indirectly in connection with any such suspension of Options on Stock Futures Contracts.

008 All disputes in relation to Options on Stock Futures Contracts shall be dealt with in accordance with the Rules.

## **ADJUSTMENTS**

### ***Capital Adjustments***

- 009 (a) Adjustments to the share price are a common phenomenon arising naturally in the market when a company announces a share sub-division or a share consolidation or makes changes to its capital structure by way of rights issues, bonus issues, cash dividend payments etc. This adjustment occurs naturally in the market place as soon as the share trades ex-entitlement or the corporate action takes effect.
- (b) The value of an Options on Stock Futures Contract will be changed unless an appropriate Adjustment is made to the Contract Specifications of the Options on Stock Futures Contract. Adjustments to the Strike Price of an Options on Stock Futures Contract will keep the Options on Stock Futures Contract value unchanged before and after the ex-entitlement day or the corporate action effective day.
- (c) The Exchange is responsible for determining the Adjustments to be made to the Contract Specifications of existing Options on Stock Futures Contracts. The Exchange generally refers to the processes surrounding this as “capital adjustments”.

### ***Circumstances Which May Give Rise to Capital Adjustment***

- 010 (a) The procedures below consider two common types of events in which standard Adjustments will be made to the Contract Specifications of an Options on Stock Futures Contract. They are entitlement events and corporate action events.
- (b) Special events like distribution in specie, offering of shares in another company, bonus warrants, change of domicile etc., which are not common entitlement or corporate events and standard Adjustments, may be dealt with by the Chief Executive in consultation with the Commission. Under such circumstances, the Chief Executive in consultation with the Commission, on a case by case basis, will decide whether an Adjustment is needed, and if so, the Adjustment method.

### ***Entitlement Events***

- 010A (a) Entitlement events generally take the form of a dividend payment, cash bonus, rights issue or bonus issue.
- (b) For an ordinary cash dividend (whether or not it is offered with a scrip

alternative) or a cash bonus, the Exchange will not perform any capital adjustment on an Options on Stock Futures Contract unless the value of the payment is 5 per cent or more of the share's closing price on the day of the announcement.

- (c) For rights issues and bonus issues, the Exchange will perform a capital adjustment irrespective of its size in relation to the underlying market price.
- (d) In the case of a combined entitlement event, for example, a bonus issue plus a simultaneous cash dividend, the Exchange will conduct a combined capital adjustment only if the cash dividend in isolation is 5 per cent or more of the share's closing price on the day of the announcement.

***Corporate Action Events***

- 010B (a) Corporate action events usually take the form of share sub-division and share consolidation.
- (b) The Exchange will always perform a capital adjustment irrespective of the corporate action's effect on the underlying market price.

***Capital Adjustment Announcement***

010C As soon as the company makes an announcement which may require a capital adjustment, the Exchange will determine what effect it will have on the corresponding Options on Stock Futures Contracts. The decision as to whether or not an Adjustment will be made to the Contract Specifications of existing Options on Stock Futures Contracts, and the nature of that Adjustment, will be announced no later than the tenth Trading Day after the company announcement is made.

***Standard Adjustment Methodology***

010D For each Adjustment, there will be an adjustment ratio. In each case, the old Strike Price of the Options on Stock Futures Contract will be multiplied by this adjustment ratio to obtain the adjusted Strike Price.

The following table describes the rules for all the standard capital adjustment events.

<b>Event</b>	<b>Adjusted Strike Price (ASP) =</b>
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<p><b>Rights Issue</b></p> <p>'A' new shares for 'B' old shares at \$C per share; where it closes at \$S on the last trading day prior to ex-rights day</p>	<p>Old Strike Price (OSP) times:</p> $\frac{B + (A * C / S)}{A + B}$
<p><b>Bonus Issue</b></p> <p>'A' new shares for 'B' old shares</p>	<p>Old Strike Price (OSP) times:</p> $\frac{B}{A + B}$
<p><b>Share Consolidation</b></p> <p>X shares consolidate into Y shares</p>	<p>Old Strike Price (OSP) times:</p> $\frac{X}{Y}$
<p><b>Share Sub-division</b></p> <p>X shares sub-divided into Y Shares</p>	<p>Old Strike Price (OSP) times:</p> $\frac{X}{Y}$



<p><b>Dividend/Cash Distribution</b></p> <p>Dividend = D and D is not less than 5% of the share closing price on the dividend announcement day. The share closes at \$\$ on the day prior to the ex-dividend day.</p>	<p>Old Strike Price (OSP) times:</p> $\frac{S - D}{S}$
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In cases where a cash or scrip alternative is offered, the Adjustment will be based on the cash version of the payout. If the cash payment is in a currency which is not the Settlement Currency, it will be converted to the Settlement Currency at the exchange rate determined by the Clearing House.

***Effective Day of Capital Adjustment***

- 010E (a) The Adjustment will take effect on the ex-date of the entitlement event or on the effective date of the corporate action event.
- (b) For entitlement events, the capital adjustment process will be conducted before the trading session immediately following the last day the share is traded cum-entitlement.
- (c) The capital adjustment process conducted by the Exchange for stock splits and consolidations will occur before the corporate action effective date announced by the issuer of the underlying securities.

***Effect of Capital Adjustment***

010F The following describes how existing Contract Specifications, open positions and settlement are being treated under the capital adjustment process of the Exchange:

- (a) Adjustment of Contract Specifications for Existing Options on Stock Futures Contracts

Using the adjustment ratio (see table above), the Strike Price of all existing Options on Stock Futures Contracts on the relevant underlying stock are adjusted.

While adjusted Options on Stock Futures Contracts can still be traded, new standard Options on Stock Futures Contracts will be introduced in accordance with the standard procedures for issuing new contracts. Therefore, in respect of Options on Stock Futures Contracts on the relevant underlying stock, there will be some whose Strike Prices are standard and there will be others whose Strike Prices are adjusted.

(b) Open Positions

The number of open positions in each old Options on Stock Futures Contract will be transferred to the respective adjusted Options on Stock Futures Contract. It should be noted that only the Strike Prices are being adjusted and there will not be any changes to the number of open positions whatsoever after the Adjustment, unless there is a change in board lot size of the underlying stock of the Stock Futures Contract on which the option is based.

(c) Settlement of Adjusted Options on Stock Futures Contracts

Adjusted Options on Stock Futures Contracts shall be settled in cash on the Final Settlement Day in accordance with the Clearing House Rules.

***Changes To Capital Adjustment Announced By Issuer***

010G If there is any change to a corporate action event announced by an issuer after the underlying stock of the Stock Futures Contract on which the option is based has traded ex-all entitlements, the Chief Executive will investigate and, in consultation with the Commission, determine any necessary further action.

**OFFICIAL SETTLEMENT PRICE**

011 The Exchange shall announce the Official Settlement Price as soon as practicable after it has been determined.

012 The Official Settlement Price of an Options on Stock Futures Contract shall, subject to Regulation 013, be determined by the Clearing House in accordance with the Contract Specifications.

013 If, in the opinion of the Chief Executive, circumstances are developing or have developed which are capable of preventing calculation of the Official Settlement Price, or which may render an Official Settlement Price unrepresentative of the level of prices at which the underlying Stock Futures Contract is traded during the Expiry Day, then the Chief Executive, after consultation with the Commission, may either on his own or in conjunction with the Clearing House take such steps as he deems appropriate to enable the Official Settlement Price to be determined.

## **CASH SETTLEMENT ON EXERCISE**

014 (a) The Holder of a Call Option shall have the following rights in respect of each Call Option held:-

- (i) If, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the option shall be deemed to be exercised by the Holder.

The Holder shall be entitled to receive the Final Settlement Value from the Clearing House which shall be equal to the difference between the Official Settlement Price and the Strike Price of the Call Option, multiplied by the Contract Multiplier of the underlying Stock Futures Contract; or

- (ii) If, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Value, the option shall be deemed to have expired worthless.

(b) The Writer of a Call Option shall have the following obligations in respect of each Call Option written:-

- (i) If, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the Writer shall pay to the Clearing House the Final Settlement Value which shall be equal to the difference between the Official Settlement Price and the Strike Price of the Call Option, multiplied by the Contract Multiplier of the underlying Stock Futures Contract; or

- (ii) If, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Price, the Call Option shall be deemed to have expired worthless and the Writer shall have no further obligations in respect of that option.

(c) The Holder of a Put Option shall have the following rights in respect of each Put Option held:-

- (i) If, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the option shall be deemed to be exercised by the Holder.

The Holder shall be entitled to receive the Final Settlement Value from the Clearing House, which shall be equal to the difference between the Strike Price of the Put Option and the

Official Settlement Price, multiplied by the Contract Multiplier of the underlying Stock Futures Contract; or

- (ii) If, on the relevant Expiry Day, the Strike Price of the Put Option is less than, or equal to, the Official Settlement Price, the option shall be deemed to have expired worthless.
- (d) The Writer of a Put Option shall have the following obligations in respect of each Put Option written:-
- (i) If, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the Writer shall pay to the Clearing House the Final Settlement Value which shall be equal to the difference between the Strike Price of the Put Option and the Official Settlement Price, multiplied by the Contract Multiplier of the underlying Stock Futures Contract; or
  - (ii) If, on the relevant Expiry Day, the Strike Price of the Put Option is less than, or equal to, the Official Settlement Price, the Put Option shall be deemed to have expired worthless and the Writer shall have no further obligation in respect of that option.
- 014A The Final Settlement Value shall be determined in accordance with the calculations specified in Regulation 014 above and all margin payments and variation adjustments made to, received from or owed to, the Clearing House prior to and including the Expiry Day, shall be set off against the amount owing to or by the HKCC Participant.
- 015 The rights of a Holder and obligations of a Writer of an Options on Stock Futures Contract shall be satisfied by cash settlement in the Settlement Currency by or with the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

#### **SETTLEMENT CURRENCY AND CONVERSION RATES**

- 015A In respect of any Options on Stock Futures Contract that is not settled in Hong Kong dollars and whose Settlement Currency is different from the currency in which the Options on Stock Futures Contract is traded, the amount required to be settled by an Exchange Participant on the Final Settlement Day shall be converted to the Settlement Currency equivalent. The conversion rate to be applied shall be the exchange rate obtained by the Clearing House at 9:00 a.m. on the Expiry Day from such source as it shall consider appropriate.

015B The Clearing House will promptly announce these rates after they are determined. Exchange Participants must use these rates for conversions at the Client account level.

## **REGISTRATION**

016 All Exchange Participants trading in Options on Stock Futures Contracts shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing of Options on Stock Futures Contracts.

## **COMMISSIONS AND LEVIES**

017 The rate of commission for each Options on Stock Futures Contract shall be negotiable between an Exchange Participant and its Client but shall not be less than any minimum rate of commission prescribed from time to time by the Board.

018 Every Options on Stock Futures Contract shall be subject to an Exchange fee which shall become immediately payable to the Exchange upon registration of the Options on Stock Futures Contract with the Clearing House. The Exchange fee shall be set from time to time by the Board and shall be paid to the Exchange through the Clearing House.

019 All levies required to be paid pursuant to the Ordinance in consequence of trading in Options on Stock Futures Contracts shall be paid to the Exchange through the Clearing House as the Exchange shall, in consultation with the Commission, prescribe from time to time.

## **MARGIN AND VARIATION ADJUSTMENTS**

020 Margin, additional margin and variation adjustments (including Clearing House margin, Clearing House additional margin and Clearing House variation adjustment) shall be set, collected or distributed in respect of Options on Stock Futures Contracts in accordance with these Regulations, the Rules and the Clearing House Procedures. The Closing Quotation for each open position in Options on Stock Futures Contracts shall be determined by the Clearing House according to the Clearing House Procedures.

## **PAYMENT OF OPTION PREMIUM AND CLIENT ACCOUNTS**

020A A Client may, subject to the Rules, open and maintain with an Exchange Participant one of two types of account with respect to trading options. The two available account types are:

- a) a Client cash account in which a Client may carry only long option positions in respect of which the full cash value of the Option Premium has been paid to the Exchange Participant on the day of the trade; and

- b) at the discretion of the Exchange Participant, a Client margin account in which a Client may carry both long and short open positions in respect of which the Client has paid the applicable margin in accordance with the Rules. Notwithstanding the foregoing, a Client margin account may be established only when the Exchange Participant employs a margining system or methodology approved by the Exchange.

Both types of accounts shall be opened and maintained in accordance with the Rules.

### **POSITION LIMITS**

- 021 (a) The Chief Executive shall impose position limits on Exchange Participants and their Clients as specified in the Contract Specifications and provided for in the Rules.
- (b) Subject to Rules 629(e) and 630(e), the Chief Executive may, on a case-by-case basis, increase, decrease or remove the position limits imposed pursuant to the Rules by giving notice in writing to the Clearing House, the Exchange Participant and the Commission.
- (c) The Chief Executive shall not be required to give any reasons for his decision to increase, decrease or remove the position limits pursuant to the Rules.
- (d) Failure to comply with the position limits is governed by the Rules.
- (e) Subject to Rules 629(e) and 630(e), the Chief Executive may approve higher position limits for Market Makers.

Note : The Commission may also impose contract limits under the Ordinance.

### **LARGE OPEN POSITIONS**

- 022 (a) The Board shall specify Large Open Positions in respect of Options on Stock Futures Contracts as provided for in the Rules and the applicable Procedures. The Board shall specify such Large Open Positions in the Contract Specifications.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated HKEX staff as required by the Rules and the Exchange Procedures.

## **APPROVAL TO CONDUCT BUSINESS IN OPTIONS ON STOCK FUTURES CONTRACTS**

- 023 (a) Exchange Participants must seek approval from the Exchange in order to trade Options on Stock Futures Contracts.
- (b) The Exchange may, in its absolute discretion, grant or withhold such approval or grant its approval subject to such restrictions or conditions as it shall deem fit and the decision of the Exchange shall be final and conclusive.
- (c) In the exercise of its discretion, the Exchange will take into account, among other things, whether the Exchange Participant:-
- (i) has installed the HKATS equipment to the satisfaction of the Exchange;
  - (ii) (deleted)
  - (iii) is financially and operationally capable of fulfilling all obligations related to participation in the Options on Stock Futures Market; and
  - (iv) has adequate internal control and risk management procedures in place.

In applying for registration, every person shall follow the procedures prescribed by the Exchange from time to time.

## **SHORT OPTION POSITION RESTRICTIONS**

- 024 The Exchange Board reserves the right to prohibit or restrict Exchange Participants from carrying short option positions in the Exchange Participants' own accounts or in the accounts of their Clients.

## **NON-COMPLIANCE**

- 025 An Exchange Participant which does not comply with these Regulations, the Rules and the applicable Procedures in any respect shall be liable to disciplinary proceedings under the Rules.

**TRADING PROCEDURES FOR STOCK FUTURES AND OPTIONS ON  
STOCK FUTURES TRADED ON THE AUTOMATED TRADING SYSTEM  
OF THE EXCHANGE (“HKATS”)**

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These procedures shall be read in conjunction with and shall form part of the Exchange Rules. Unless otherwise indicated, the terms used herein shall have the same meanings as contained in the Exchange Rules and the Clearing House Rules.

## **CHAPTER 1**

### **TRADING**

#### **1.1 *Method of Trading***

Trading in Stock Futures Contracts and Options on Stock Futures Contracts shall be conducted exclusively through the Automated Trading System of the Exchange (“HKATS”) during the trading hours specified from time to time by the Exchange and in accordance with the Exchange Rules, the Clearing House Rules, applicable Regulations, Contract Specifications and Procedures, the Clearing House Procedures and the HKATS Users’ Guide.

An Exchange Participant shall be liable for all Orders, Stock Futures Contracts and Options on Stock Futures Contracts arising from its connection to HKATS and recorded in the Central Orderbook and Transaction Register respectively of HKATS or other consequences resulting from the use of such Exchange Participant’s connection.

An Exchange Participant shall follow those security procedures pertaining to the connection as are from time to time specified by the Exchange and shall notify the Exchange immediately if it becomes aware of, or its trading activities are affected by, any disruptions whether technical or otherwise.

#### **1.2 *Trading Hours***

The Trading Hours of Stock Futures Contracts and Options on Stock Futures Contracts on each Trading Day shall be those prescribed by the Board from time to time as specified in the applicable Contract Specifications.

## CHAPTER 2

### ELIGIBILITY TO TRADE IN THE STOCK FUTURES AND OPTIONS ON STOCK FUTURES MARKETS

2.1 (deleted)

2.2 *Stock Futures Contract and Options on Stock Futures Contract Trading Privileges*

Exchange Participants must obtain approval from the Exchange in order to trade Stock Futures Contracts and Options on Stock Futures Contracts through HKATS. To be approved to trade Stock Futures Contracts and Options on Stock Futures Contracts, an applicant Exchange Participant firm must satisfy the following:

2.2.1 have been approved by and registered with the Exchange to trade through HKATS;

2.2.2 have installed, to the satisfaction of the Exchange, the HKATS equipment as described in the HKATS Trading Procedures;

2.2.3 have adequate security procedures in place;

2.2.4 have a clearing arrangement in place acceptable to the Clearing House; i.e. the Exchange Participant has registered with the Clearing House as an HKCC Participant or where the Exchange Participant is a Non-Clearing Participant, entered into a Clearing Agreement with a General Clearing Participant of the Clearing House;

2.2.5 (deleted)

2.2.6 be financially and operationally capable of fulfilling all obligations related to participation in the Stock Futures and Options on Stock Futures Markets; and

2.2.7 have adequate internal control and risk management procedures in place.

Exchange Participants which wish to trade in the Stock Futures and Options on Stock Futures Markets shall apply in writing to the Exchange and demonstrate initially and on a continuous basis, their ability to fulfill the above requirements to the satisfaction of the Exchange.

2.3 (deleted)

## CHAPTER 3

### MARKET MAKERS IN STOCK FUTURES AND OPTIONS ON STOCK FUTURES CONTRACTS

#### 3.1 *Application for a Market Maker Permit*

The Stock Futures and Options on Stock Futures Markets will provide for the presence of Market Makers to enhance liquidity.

3.1.1 – 3.1.2 (deleted)

#### 3.1.3 Granting of a Market Maker Permit

An Exchange Participant's application for a Market Maker permit in a Stock Futures Contract and/or an Options on Stock Futures Contract shall be made in writing to the Exchange.

The Exchange may register a Market Maker in a Stock Futures Contract in respect of an individual stock. Upon granting a Market Maker permit in a Stock Futures Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with at least the first two (2) contract months of the Stock Futures Contract [i.e. Spot Month and the next calendar month].

The Exchange may register a Market Maker in an Options on Stock Futures Contract in respect of an individual stock. Upon granting a Market Maker permit in an Options on Stock Futures Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with not less than twenty four (24) option series in the Options on Stock Futures Contracts as determined by the Exchange from time to time.

3.2 (deleted)

#### 3.3 *Market Making Requirements of a Market Maker*

In order for a Market Maker to be entitled to Market Maker Incentives (for itself if applicable and for each of its market making arrangements under the relevant Market Maker permit if any), the Market Maker (itself if applicable) and each such market making arrangement shall separately be required to satisfy the market making requirements set forth in this procedure 3.3. References to "Market Maker" in procedures 3.3 and 3.4 shall accordingly be construed to mean "Market Maker (itself if applicable) and each of its market making arrangement under the relevant Market Maker permit" or, where the context requires otherwise, any of them.

### 3.3.1 Market Making Requirements of a Market Maker in a Hong Kong Stock Futures Contracts

A Market Maker in a Hong Kong Stock Futures Contract must either respond to Quote Requests or provide continuous Quotes. The Exchange Participant shall notify the Exchange of the Market Maker's election(s).

#### 3.3.1.1 Responding to Quote Requests

If a Market Maker in a Hong Kong Stock Futures Contract elects to respond to Quote Requests, it shall:

- 3.3.1.1.1 respond to at least seventy (70) percent of the Quote Requests during trading hours in each calendar month;
- 3.3.1.1.2 respond to a Quote Request within ten (10) seconds of receipt and shall hold the Quote for at least twenty (20) seconds after keying it into HKATS unless a change in the nominal price of the underlying stock occurs during that period, in which case, the Market Maker may change its Quote provided the new Quote shall be subject to the same display, spread and size requirements as specified in this procedure 3.3.1.1;
- 3.3.1.1.3 make bids and offers for a minimum of ten (10) contracts; and
- 3.3.1.1.4 under normal market conditions, make bids and offers with a maximum bid/offer spread equivalent to four (4) times the best bid / offer spread of the underlying stock as prescribed by SEHK or HK\$0.15 whichever is greater.

#### 3.3.1.2 Providing Continuous Quotes

If a Market Maker in a Hong Kong Stock Futures Contract elects to provide continuous Quotes, it shall:

- 3.3.1.2.1 quote the assigned contract months for not less than seventy (70) percent of the trading hours of the Hong Kong Stock Futures Contract in each calendar month;

- 3.3.1.2.2 make bids and offers for a minimum of ten (10) contracts;
- 3.3.1.2.3 quote the assigned contract months in the Hong Kong Stock Futures Contract with a maximum bid/offer spread equivalent to four (4) times the best bid / offer spread of the underlying stock as prescribed by SEHK or HK\$0.15 whichever is greater; and
- 3.3.1.2.4 display on HKATS all Quotes on the assigned contract months in the Hong Kong Stock Futures Contract for not less than twenty (20) seconds after keying it into HKATS unless a change in the nominal price of the underlying stock occurs during that period in which case, the Market Maker may change its Quotes provided the new Quotes shall be subject to the same display, spread and size requirements as specified in this procedure 3.3.1.2 for the original Quotes.

A Market Maker shall not be required to fulfil the market making requirements set forth in procedure 3.3.1 during the first five (5) minutes of each morning trading session.

The Exchange may, at the absolute discretion of the Chief Executive, revoke a Market Maker permit in a Hong Kong Stock Futures Contract or any market making arrangement or other approval granted thereunder if it does not meet the market making requirements set forth in this procedure 3.3.1 for two (2) consecutive calendar months.

### 3.3.2 Market Making Requirements of a Market Maker in an International Stock Futures Contract

A Market Maker in an International Stock Futures Contract must either respond to Quote Requests or provide continuous Quotes. The Exchange Participant shall notify the Exchange of the Market Maker's election(s).

#### 3.3.2.1 Responding to Quote Requests

If a Market Maker in an International Stock Futures Contract elects to respond to Quote Requests, it shall:

- 3.3.2.1.1 respond to at least seventy (70) percent of the Quote Requests during trading hours in each calendar month;

- 3.3.2.1.2 respond to a Quote Request within 1 minute of receipt and shall hold the Quote for at least 20 seconds after keying it into HKATS unless a change in the nominal price of the underlying stock occurs during that period; in which case, the Market Maker may change its Quote provided the new Quote shall be subject to the same display, spread and size requirements as specified in this procedure 3.3.2.1 for the original Quote;
- 3.3.2.1.3 make bids and offers for a minimum of five (5) contracts for US Stock Futures Contracts and Japanese Stock Futures Contracts and three (3) contracts for Korean Stock Futures Contracts and Taiwanese Stock Futures Contracts; and
- 3.3.2.1.4 under normal market conditions, make bids and offers with a maximum bid/offer spread equivalent to 2.5% of the Stock Futures bid price.

#### 3.3.2.2 Providing Continuous Quotes

If a Market Maker in an International Stock Futures Contract elects to provide continuous Quotes, it shall:

- 3.3.2.2.1 quote the assigned contract months for not less than fifty (50) percent of the trading hours of the International Stock Futures Contract in each calendar month;
- 3.3.2.2.2 quote the assigned contract months in the International Stock Futures Contract with a maximum bid/offer spread equivalent to 2.5% of the Stock Futures bid price and for a minimum of five (5) contracts for US Stock Futures Contracts and Japanese Stock Futures Contracts and three (3) contracts for Korean Stock Futures Contracts and Taiwanese Stock Futures; and
- 3.3.2.2.3 display on HKATS all Quotes on the assigned contract months in the International Stock Futures Contract for not less than twenty (20) seconds after keying it into HKATS unless a change in the nominal price of the underlying stock occurs during that period, in which case,

the Market Maker may change its Quotes provided the new Quotes shall be subject to the same display, spread and size requirements as specified in this procedure 3.3.2.2 for the original Quotes.

A Market Maker shall not be required to fulfil the market making requirements set forth in procedure 3.3.2 during the first five (5) minutes of each morning trading session.

The Exchange may, at the absolute discretion of the Chief Executive, revoke a Market Maker permit in an International Stock Futures Contract or any market making arrangement or other approval granted thereunder if it does not meet the market making requirements set forth in this procedure 3.3.2 for two (2) consecutive calendar months.

### 3.3.3 Market Making Requirements of a Market Maker in Options on Stock Futures Contracts

A Market Maker in an Options on Stock Futures Contract must either respond to Quote Requests or provide continuous Quotes. The Exchange Participant shall notify the Exchange of the Market Maker's election(s).

#### 3.3.3.1 Responding to Quote Requests

If a Market Maker in an Options on Stock Futures Contract elects to respond to Quote Requests, it shall:

3.3.3.1.1 respond to not less than seventy (70) percent of the Quote Requests in the Options on Stock Futures Contract in each calendar month;

3.3.3.1.2 respond to a Quote Request in the Options on Stock Futures Contract within twenty (20) seconds of the Quote Request's display on HKATS;

3.3.3.1.3 display on HKATS a Quote made in response to a Quote Request for not fewer than twenty (20) seconds and for a size of not fewer than five (5) contracts for Options on US Stock Futures Contracts and Options on Japanese Stock Futures Contracts and three (3) contracts for Options on Korean Stock Futures Contracts and Options on Taiwanese Stock Futures Contracts unless a change in the price of the underlying Stock Futures Contract occurs during the twenty (20) second display period, in which case, the Market

Maker may change its Quote provided the new Quote shall be subject to the same display, spread and size requirements as specified in this procedure 3.3.3.1 for the original Quote; and

3.3.3.1.4 quote the Options on Stock Futures Contract with a bid/offer spread of not greater than:

For Options on US Stock Futures

Contract Month Call/Put Option Price Maximum Bid/Offer Spread

1st to 3rd	For prices lower than US\$1	US\$0.20
	For prices higher than US\$1	20% of bid price
4th onwards	For prices lower than US\$1	US\$0.25
	For prices higher than US\$1	25% of bid price

For Options on Japanese Stock Futures

Contract Month Call/Put Option Price Maximum Bid/Offer Spread

1st to 3rd	For prices lower than ¥100	¥20
	For prices higher than ¥100	20% of bid price
4th onwards	For prices lower than ¥100	¥25
	For prices higher than ¥100	25% of bid price

For Options on Korean Stock Futures

Contract Month Call/Put Option Price Maximum Bid/Offer Spread

1st to 3rd	For prices lower than KRW100	KRW20
	For prices higher than KRW100	20% of bid price
4th onwards	For prices lower than KRW100	KRW25
	For prices higher than KRW100	25% of bid price

For Options on Taiwanese Stock Futures

Contract Month Call/Put Option Price Maximum Bid/Offer Spread

1st to 3rd	For prices lower than NT\$1	NT\$ 0.20
	For prices higher than NT\$1	20% of bid price
4th onwards	For prices lower than NT\$1	NT\$ 0.25
	For prices higher than NT\$1	25% of bid price

3.3.3.2 Providing Continuous Quotes

If a Market Maker in an Options on Stock Futures Contract elects to provide continuous Quotes, it shall:



- 3.3.3.2.1 quote the assigned option series in the Options on Stock Futures Contract for not less than fifty (50) percent of the trading hours of the Options on Stock Futures Contract in each calendar month;
- 3.3.3.2.2 quote the assigned option series in the Options on Stock Futures Contract with a bid/offer spread as specified in procedure 3.3.3.1.4; and
- 3.3.3.2.3 display on HKATS all Quotes on the assigned option series in the Options on Futures Contract for a size of not fewer than five (5) contracts for Options on US Stock Futures Contracts and Options on Japanese Stock Futures Contracts and three (3) contracts for Options on Korean Stock Futures Contracts and Options on Taiwanese Stock Futures Contracts and for not less than twenty (20) seconds unless a change in the price of the underlying Stock Futures Contract occurs during the twenty (20) second display period, in which case, the Market Maker may change its Quotes provided the new Quotes shall be subject to the same display, spread and size requirements as specified in this procedure 3.3.3.2 for the original Quotes.

A Market Maker shall not be required to fulfil the market making requirements set forth in procedure 3.3.3 during the first five (5) minutes of each morning trading session.

The Exchange may, at the absolute discretion of the Chief Executive, revoke a Market Maker permit in an Options on Stock Futures Contract or any market making arrangement or other approval granted thereunder if it does not meet the market making requirements set forth in this procedure 3.3.3 for two (2) consecutive calendar months.

- 3.3.4 During the Expiry Day of an Options on Stock Futures Contract, a Market Maker in the Options on Stock Futures Contract shall not be required to respond to a Quote Request or to provide continuous Quotes for that Contract.
- 3.3.5 Under Unusual Market Conditions, the Chief Executive may, in his discretion, temporarily suspend or modify some or all of the obligations of a Market Maker.

#### 3.4 *Market Maker Incentives*

### 3.4.1 Hong Kong Stock Futures Contracts

- 3.4.1.1 A Market Maker in a Hong Kong Stock Futures Contract shall be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in the Hong Kong Stock Futures Contract.

Unless otherwise determined by the Chief Executive, a Market Maker shall be entitled to the above Market Maker Incentives only if it satisfies the market making requirements set forth in procedure 3.3.1. Without prejudice to any powers or rights of the Exchange or the Chief Executive, if a Market Maker in a Hong Kong Stock Futures Contract does not meet the prescribed market making requirements for a calendar month, the Exchange reserves the right to charge, at the absolute discretion of the Chief Executive, such Market Maker Exchange Fees at the full rate as specified for all transactions in that Hong Kong Stock Futures Contract effected in that calendar month.

3.4.1.2 (deleted)

3.4.1.3 (deleted)

### 3.4.2 International Stock Futures Contracts

- 3.4.2.1 A Market Maker in an International Stock Futures Contract shall be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in the International Stock Futures Contract.

Unless otherwise determined by the Chief Executive, a Market Maker shall be entitled to the above Market Maker Incentives only if it satisfies the market making requirements set forth in procedure 3.3.2. Without prejudice to any powers or rights of the Exchange or the Chief Executive, if a Market Maker in an International Stock Futures Contract does not meet the prescribed market making requirements for a calendar month, the Exchange reserves the right to charge, at the absolute discretion of the Chief Executive, such Market Maker Exchange Fees at the full rate as specified in the respective Contract Specifications for all transactions effected in that calendar month for all products in respect of which reduced Exchange Fees have been provided for in this procedure.

3.4.2.2 (deleted)

### 3.4.3 Options on Stock Futures Contracts

3.4.3.1 A Market Maker in an International Options on Stock Futures Contract shall be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in the International Options on Stock Futures Contracts.

Unless otherwise determined by the Chief Executive, a Market Maker shall be entitled to the above Market Maker Incentives only if it satisfies the market making requirements set forth in procedure 3.3.3. Without prejudice to any powers or rights of the Exchange or the Chief Executive, if a Market Maker in an International Options on Stock Futures Contract does not meet the prescribed market making requirements for a calendar month, the Exchange reserves the right to charge, at the absolute discretion of the Chief Executive, such Market Maker Exchange Fees at the full rate as specified in the respective Contract Specifications for all transactions effected in that calendar month for all products in respect of which reduced Exchange Fees have been provided for in this procedure.

3.4.3.2 (deleted)

### 3.5 *Market Maker may not Trade for Client*

A Market Maker in a Stock Futures Contract or an Option on Stock Futures Contract shall not in its capacity as such accept an Order or execute a transaction for any Client and shall ensure that each of its market making arrangements will not execute any transaction for an account other than its own account.

### 3.6 *Separate Market Maker Accounts for Market Making Arrangements*

Trades arising from market making activities in relation to each of the Market Maker's market making arrangements will be recorded in separate market maker accounts.

## CHAPTER 4

### DEALING FUNCTIONALITY

#### 4.1 *Order Entry*

An Order in a Stock Futures Contract or an Options on Stock Futures Contract may be entered into HKATS only during the trading hours and, where applicable, the pre-opening session (in respect of Limit Orders and Auction Orders) and the pre-open allocation session (in respect of Auction Orders only) of the Pre-Market Opening Period for the Stock Futures Contract or the Options on Stock Futures Contract.

#### 4.2 *Automatic Cancellation of an Order due to Suspension of Trading or Site Failure*

An Order resident in the Central Orderbook for a Stock Futures Contract or an Options on Stock Futures Contract will be canceled upon the suspension of trading in the Stock Futures Contract or the Options on Stock Futures Contract.

Notification of a suspension of trading in a Stock Futures Contract or an Options on Stock Futures Contract will be made on the HKATS Market Message display window.

Notification of the resumption of trading in a suspended Stock Futures Contract or an Options on Stock Futures Contract will be made on the HKATS Market Message display window not less than ten (10) minutes, or such shorter period as the Chief Executive may determine, prior to the resumption of trading in the Stock Futures Contract or the Options on Stock Futures Contract.

An Order automatically canceled due to the suspension of trading in a Stock Futures Contract or an Options on Stock Futures Contract may be re-entered into HKATS upon the resumption of trading in that Stock Futures Contract or Options on Stock Futures Contract.

In the event of a system failure at an Exchange Participant's site, the Exchange Participant shall contact the Exchange at the HKATS hotline listed in the HKATS User's Guide and advise the Exchange if it wishes to have all its outstanding Orders canceled or remain activated. An Order of an Exchange Participant resident on the Central Orderbook will be inactivated 10 minutes after the occurrence of a system failure at the Exchange Participant's site unless the Exchange Participant has requested the Exchange to keep the Order activated within 10 minutes of the site failure. The Exchange shall not be liable to an Exchange Participant for canceling or keeping activated any Order of the Exchange Participant at its instructions or purported instructions.

An Exchange Participant affected by a system failure at its site may arrange with

other Exchange Participants to handle new Orders and subsequently reallocate resulting trades to the corresponding accounts through external allocation according to the Clearing House Rules.

#### 4.3 *Order Amendments and Cancellations*

An Order in a Stock Futures Contract or an Options on Stock Futures Contract entered into the Central Orderbook on behalf of a Client or the Exchange Participant and designated a particular Order number may be amended or canceled provided that the amendment or cancellation is made in compliance with the instructions of that Client or the Exchange Participant, as the case may be, in respect of that particular Order.

Exchange Participants may amend, cancel or inactivate Orders resident in the Central Orderbook (“Valid Orders”) only during trading hours and the period of 30 minutes before the opening of each trading session if the Pre-Market Opening Period is not applicable or the pre-opening session of the Pre-Market Opening Period if the Pre-Market Opening Period applies.

A Valid Order that is amended in connection with a reduction in size, a change in the duration of validity, or modification of optional (“free”) text information shall not affect the time priority of the original Valid Order.

A Valid Order that is amended in connection with price or an increase in size: (i) will result in the loss of time priority of the original Valid Order if the amendment is made during trading hours; and (ii) will result in the loss of time priority of the original Valid Order if the amendment is made during the Pre-Market Opening Period (where the Pre-Market Opening Period is applicable). Amendment in connection with price or an increase in size of a Valid Order is not allowed during the 30 minute period before the opening of a trading session (where the Pre-Market Opening Period is not applicable).

#### 4.4 (deleted)

#### 4.5 *Adjustment Procedures*

All matters relating to adjustment (including external and internal transfers) of F/O Contracts effected through HKATS which have been novated shall be subject to the Clearing House Rules.

#### 4.6 *Execution of Standard Combinations*

4.6.1 In the event an Order for a spread or strategy combination listed in the “Series/Combinations” window of HKATS (“standard combination”) involving Stock Futures Contracts or Options on Stock Futures Contracts is entered into HKATS, HKATS will automatically generate derived Orders (“Bait Orders”) based on the prevailing market price of each individual market series comprising the standard combination and

the price of the Order for the standard combination. Prices of these Bait Orders will be automatically adjusted according to price movement in the individual market series comprising the standard combination.

4.6.2 The ranking of Bait Orders shall be in accordance with the time the Bait Orders are generated. A Bait Order whose price is automatically adjusted according to the price movement and/or increase in quantity of the individual market series comprising the standard combination shall be treated as if the Bait Order were newly generated.

4.6.3 In the event an Order for a standard combination is executed separately as Bait Orders in the individual market series, each Stock Futures Contract or Options on Stock Futures Contract comprising the standard combination will be matched at the prevailing market price of the individual market series. Any matched Contracts will be recorded in HKATS as separate trades in the individual market series.

4.6.4 In the event an Order for a standard combination is executed in the standard combination market and not as Bait Orders in the individual market series, the executed price of the standard combination may not necessarily correspond with the prevailing market prices of the Stock Futures Contracts or the Option on Stock Futures Contract comprising the standard combination. The matched standard combination will be recorded in HKATS as separate trades in the individual market series.

4.6.5 (deleted)

4.7 (deleted)

4.8 (deleted)

4.9 *Pre-Market Opening*

4.9.1 The pre-market opening algorithm of HKATS shall apply to such Stock Futures Contract(s) or Options on Stock Futures Contract(s) as the Exchange may from time to time notify to Exchange Participants.

4.9.2 The Pre-Market Opening Period shall comprise (i) the pre-opening session; (ii) the pre-open allocation session; and (iii) the open allocation session, the duration of which may be changed by the Exchange and notified to Exchange Participants from time to time at its discretion.

4.9.3 During the pre-opening session, Limit Orders and Auction Orders may be entered into HKATS and may be amended or canceled subject to provisions of procedure 4.3. During the pre-open allocation session, only Auction Orders may be entered into HKATS. No Orders may be

amended or canceled during the pre-open allocation session. During the open allocation session, no Orders may be entered into HKATS and no Orders may be amended or canceled. The Calculated Opening Price (COP), if any, will be calculated, and Orders will be matched subject to Rule 1215 or converted into Limit Orders or inactive Orders in accordance with the procedures set forth below during the open allocation session.

- 4.9.4 A COP will be calculated only if the highest bid price of the Limit Orders entered into HKATS is greater than or equal to the lowest ask price of the Limit Orders. If more than one price satisfies this criterion, the COP shall be calculated according to the following rules:
- 4.9.4.1 The COP shall be one of the bid or offer prices falling at or within the highest bid price and the lowest ask price of the Limit Orders;
  - 4.9.4.2 The COP shall be the price at which the number of contracts matched would be maximized;
  - 4.9.4.3 If more than one price satisfies the rule in procedure 4.9.4.2, the COP shall be the price at which the normal order imbalance is the lowest. For the purposes of this procedure, normal order imbalance is defined as the difference between the number of bid contracts and the number of ask contracts that can be matched at a certain price;
  - 4.9.4.4 If more than one price satisfies the rule in procedure 4.9.4.3, the COP shall be the price at which (i) the aggregate number of contracts comprising the bid Auction Orders and bid Limit Orders at or above that price or (ii) the aggregate number of contracts comprising the ask Auction Orders and ask Limit Orders at or below that price would be the highest;
  - 4.9.4.5 If more than one price satisfies the rule in procedure 4.9.4.4, (i) the COP in the case of the morning trading session shall be the price closest to the previous Closing Quotation (as defined in the Clearing House Rules) of the relevant Stock Futures Contract or Options on Stock Futures Contract and (ii) the COP in the case of the afternoon trading session shall be the price closest to the last traded price if the relevant Stock Futures Contract or Options on Stock Futures Contract was traded in the immediately preceding morning trading session or if there was no trading in the immediately preceding morning trading session, the rule in this procedure 4.9.4.5 shall be disregarded and the calculation of the COP shall proceed in accordance with the rule set forth in procedure 4.9.4.6;

- 4.9.4.6 If more than one price satisfies the rule in procedure 4.9.4.5, the COP shall be the highest of such prices.
- 4.9.5 If a COP is calculated, Auction Orders and Limit Orders with ask prices at or below, or bid prices at or above, such determined COP shall be matched at the COP to the extent possible and any unmatched Auction Order shall be converted into a Limit Order with a bid or ask price equal to the COP immediately before Market open. The ranking of such converted Auction Orders and Limit Orders at the COP shall be in accordance with the time the converted Auction Orders and Limit Orders were originally entered into HKATS.
- 4.9.6 If no COP can be calculated according to procedure 4.9.4 but bid and ask prices exist, all bid Auction Orders will be converted immediately before Market open into bid Limit Orders at the highest bid price and all ask Auction Orders will be converted immediately before Market open into ask Limit Orders at the lowest ask price of the Limit Orders entered into HKATS. The ranking of such converted Auction Orders and Limit Orders with the highest bid price or lowest ask price, as the case may be, shall be in accordance with the time the Auction Orders and Limit Orders were originally entered into HKATS.
- 4.9.7 If no COP can be calculated according to procedure 4.9.4 and no bid price or ask price exists, all bid Auction Orders (if no bid price exists) and all ask Auction Orders (if no ask price exists) will be converted into inactive Orders immediately before Market open.
- 4.9.8 The conduct of the Pre-Market Opening Period shall be under the surveillance of designated HKATS Officials. A designated HKATS Official may cancel any Order entered into HKATS during the Pre-Market Opening Period which in his opinion is a manifest error and which would disproportionately affect the Calculated Opening Price.
- 4.10 *Creation, Execution and Deletion of Tailor-Made Combinations*
- 4.10.1 Exchange Participants can define and create a Tailor-Made Combination involving such Stock Futures Contracts and/or Options on Stock Futures Contracts and during such trading sessions as the Exchange may from time to time notify Exchange Participants using the tailor-made combination function of HKATS. Once created, a Tailor-Made Combination can be traded like a normal market series.
- 4.10.2 Exchange Participants shall ensure that the following criteria are satisfied when creating a Tailor-Made Combination:
- the Tailor-Made Combination is one of the strategy combinations prescribed by the Exchange;



- the number of futures contract month or option series (“legs”) comprising the strategy is within the range prescribed by the Exchange;
- the ratio between these legs is within the range prescribed by the Exchange;
- the contract sizes of these legs must be identical;
- the Tailor-Made Combination is not at that time prescribed as a standard combination; and
- an active Order is submitted at the same time as the creation of the Tailor-Made Combination.

4.10.3 Tailor-Made Combinations created on a Trading Day will not be carried forward to the next Trading Day.

4.10.4 The executed price of a trade in a Tailor-Made Combination may not necessarily correspond with the prevailing market prices of the Stock Futures Contracts or Options on Stock Futures Contracts comprising the Tailor-Made Combination. The matched trade in the Tailor-Made Combination will be recorded in HKATS as separate trades in the individual market series.

4.10.5 The Exchange may from time to time prescribe a maximum number of Tailor-Made Combinations that can be listed on HKATS on a Trading Day and a throughput rate for each HKATS connection to create Tailor-Made Combinations to protect the integrity of HKATS and to ensure the proper operation of the Markets.

4.10.6 The Exchange may at any time at its sole discretion limit the number of Tailor-Made Combinations an Exchange Participant may create on a Trading Day by notice to the Exchange Participant.

4.10.7 The Exchange reserves the right to delete any Tailor-Made Combination listed on HKATS and cancel any Order for that Tailor-Made Combination at any time if:

- (i) the Tailor-Made Combination does not satisfy the criteria as prescribed in procedure 4.10.2;
- (ii) there is no active Order for the Tailor-Made Combination;
- (iii) the total number of Tailor-Made Combinations listed on HKATS exceeds the maximum number prescribed and notified to Exchange Participants by the Exchange from time to time;

- (iv) the Tailor-Made Combination is created by an Exchange Participant which has exceeded the limit imposed on it under procedure 4.10.6; or
- (v) the Exchange determines that the Tailor-Made Combination is inappropriate.

4.10.8 Any trade in a Tailor-Made Combination that is not created in accordance with the criteria as prescribed in procedure 4.10.2 will not be considered as a valid trade by the Exchange and, notwithstanding any provisions of the Exchange Rules or the Clearing House Rules, will not be registered or cleared by the Clearing House. In the event that an Exchange Participant has been notified by the Exchange that a Tailor-Made Combination trade is invalid on the Trading Day during which the Tailor-Made Combination trade is executed, the Exchange in conjunction with the Clearing House will, without being required to give further notice to the Exchange Participant, delete the invalid Tailor-Made Combination trade from HKATS and the “deal file” of the clearing system as if the Tailor-Made Combination trade had never been executed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange or the Clearing House directly or indirectly in connection with the deletion of any invalid Tailor-Made Combination trade.

## **CHAPTER 5**

(deleted)

## **CHAPTER 6**

### **CLIENT MARGIN**

Exchange Participants are required to collect margins from their Clients for the purpose of trading Stock Futures Contracts or Options on Stock Futures Contracts in accordance with Exchange Rules 617 - 619 (inclusive) and the “Guidelines on Margin Procedures For the Purpose of Minimum Requirements Pursuant to Rule 617” (the “Guidelines”). Exchange Participants shall refer to the Guidelines for details.

<p>Contract Specifications For Three-Month Hong Kong Interbank Offered Rate (HIBOR) Futures Contract</p>
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The following Contract Specifications shall apply to Three-Month Hong Kong Interbank Offered Rate (HIBOR) Futures Contract :

Contract Size	HK\$5,000,000
Contract Months	Spot month, the next two calendar months plus the next seven (7) quarter months on March, June, September, December cycle such that there are always ten (10) months listed at any one time
Contracted Value	Contracted Price multiplied by the value of a Minimum Fluctuation multiplied by 100 [e.g. 95.50 x (HK\$5,000,000 x 0.0001 x 0.25) x 100]
Minimum Fluctuation	one (1) basis point (0.01 of a percent) The value of a Minimum Fluctuation is HK\$125.00 calculated as the Contract Size multiplied by a basis point multiplied by one quarter of a year. $HK\$5,000,000 \times 0.0001 \times 0.25 = HK\$125.00$
Trading Hours	8:30 a.m. - 12:00 noon and 1:30 p.m. - 5:00 p.m. (Hong Kong time)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:00 noon (Hong Kong time)
Trading Hours on the Last Trading Day	8:30 a.m. - 11:00 a.m. (Hong Kong time)
Special Trading Session	The Chief Executive, from time to time, may authorize a Special Trading Session to coincide with potentially significant market events. Not less than three (3) Trading Days prior to a Special Trading Session, Exchange Participants will be notified of the Trading Hours of the Special Trading Session
Trading Method	The Exchange's Automated Trading System (HKATS)
Price Quotation	One hundred (100.00) minus the interest rate

Large Open Positions	1,000 open contracts in any one Contract Month; or 4,000 open contracts in all Contract Months for the account of an Exchange Participant; and 1,000 open contracts in any one Contract Month; or 4,000 open contracts in all Contract Months for the account of a Client carried by the Exchange Participant.
Settlement Method	Cash (Hong Kong dollars) settled contract for difference
Final Settlement Day	The third (3rd) Wednesday of the Contract Month. If the third (3rd) Wednesday of such Contract Month is not a Trading Day then the Final Settlement Day of the Contract shall be the next Trading Day following the third (3rd) Wednesday of the Contract Month
Final Settlement Price	One hundred (100.00) minus the three-month HKAB HKD Interest Settlement Rate quoted at approximately 11:15 a.m. on the Last Trading Day, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5 (100.00 – HKAB HKD Interest Settlement Rate = Final Settlement Price)
Last Trading Day	The Last Trading Day of a Contract shall be two Trading Days before the third (3rd) Wednesday of the Contract Month
Cash Settlement Value	Final Settlement Price multiplied by the value of a Minimum Fluctuation multiplied by 100 [e.g. Final Settlement Price x (HK\$5,000,000 x 0.0001 x 0.25) x 100 = Cash Settlement Value]
Trading Fee (per contract per side)	Exchange Fee HK\$5.00  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.
Commission Rate	Negotiable

<p>Contract Specifications  For  One-Month Hong Kong Interbank Offered Rate  (HIBOR) Futures Contract</p>
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The following Contract Specifications shall apply to One-Month Hong Kong Interbank Offered Rate (HIBOR) Futures Contract :

Contract Size	HK\$15,000,000
Contract Months	Spot month and the next five calendar months
Contracted Value	Contracted Price multiplied by the value of a Minimum Fluctuation multiplied by 100 [e.g. 95.50 x (HK\$15,000,000 x 0.0001 x 1/12) x 100]
Minimum Fluctuation	one (1) basis point (0.01 of one percent) The value of a Minimum Fluctuation is calculated as the Contract Size multiplied by a basis point multiplied by one twelfth of a year. $HK\$15,000,000 \times 0.0001 \times 1/12 = HK\$125.00$
Trading Hours	8:30 a.m. - 12:00 noon and 1:30 p.m. - 5:00 p.m. (Hong Kong time)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:00 noon (Hong Kong time)
Trading Hours on the Last Trading Day	8:30 a.m. - 11:00 a.m. (Hong Kong time)
Special Trading Session	The Chief Executive, from time to time, may authorize a Special Trading Session to coincide with potentially significant market events. Not less than three (3) Trading Days prior to a Special Trading Session, Exchange Participants will be notified of the Trading Hours of the Special Trading Session
Trading Method	The Exchange's Automated Trading System (HKATS)
Price Quotation	One hundred (100.00) minus the interest rate
Large Open Positions	1,000 open contracts in any one Contract Month; or

	4,000 open contracts in all Contract Months for the account of an Exchange Participant; and
	1,000 open contracts in any one Contract Month; or
	4,000 open contracts in all Contract Months for the account of a Client carried by the Exchange Participant.
Settlement Method	Cash (Hong Kong dollars) settled contract for difference
Final Settlement Day	The third (3rd) Wednesday of the Contract Month. If the third (3rd) Wednesday of such Contract Month is not a Trading Day then the Final Settlement Day of the Contract shall be the next Trading Day following the third (3rd) Wednesday of the Contract Month
Final Settlement Price	One hundred (100.00) minus the one-month HKAB HKD Interest Settlement Rate quoted at approximately 11:15 a.m. on the Last Trading Day, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5 (100.00 – HKAB HKD Interest Settlement Rate = Final Settlement Price)
Last Trading Day	The Last Trading Day of a Contract shall be two Trading Days before the third (3rd) Wednesday of the Contract Month
Cash Settlement Value	Final Settlement Price multiplied by the value of a Minimum Fluctuation multiplied by 100 [e.g. Final Settlement Price x (HK\$15,000,000 x 0.0001 x 1/12) x 100 = Cash Settlement Value]
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">HK\$5.00</span>  The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.
Commission Rate	Negotiable



# REGULATIONS FOR TRADING ONE-MONTH AND THREE-MONTH HONG KONG INTERBANK OFFERED RATE FUTURES (“HIBOR FUTURES”) CONTRACTS

## INTERPRETATION

001 These Regulations may be cited as the Regulations for trading One-Month and Three-Month Hong Kong Interbank Offered Rate Futures (“HIBOR Futures”) Contracts (hereinafter referred to as the “Regulations”).

002 The Exchange Rules and the Clearing House Rules (referred to collectively as the “Rules”) including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

“Cash Settlement Value”	the Final Settlement Price multiplied by the value of a Minimum Fluctuation multiplied by 100;
“Contracted Price”	the price at which a HIBOR Futures Contract is registered by the Clearing House;
“Contracted Value”	the Contracted Price multiplied by the value of a Minimum Fluctuation multiplied by 100;
“HIBOR Futures Contract”	an Exchange Contract subject to these Regulations;
“HIBOR Futures Market”	a Market subject to these Regulations; and
“Minimum Fluctuation”	the minimum allowable movement in the price of any HIBOR Futures Contract as specified in the Contract Specifications.

## **CONTRACT SPECIFICATIONS**

003 The terms and conditions for each HIBOR Futures Contract shall include, among other things:

- (a) Contract Size;
- (b) Contract Months;
- (c) Final Settlement Day;
- (d) Final Settlement Price;
- (e) Large Open Positions;
- (f) Last Trading Day;
- (g) Minimum Fluctuation;
- (h) Price Quotation;
- (i) Settlement Method;
- (j) Special Trading Session;
- (k) Trading Hours;
- (l) Trading Method; and
- (m) Commission Rate.

004 Contract Specifications for HIBOR Futures Contracts may be changed from time to time by the Exchange Board in consultation with the Commission. Exchange Participants shall be given notice of a change in the Contract Specifications prior to implementation of the change. If the change involves an increase or reduction of the Contract Size of a HIBOR Futures Contract, the Exchange may require open positions of an Exchange Participant in such contract to be converted to the new Contract Size or closed out regardless of whether these positions can be so converted.

## **TRADING**

005 Bids and offers for HIBOR Futures Contracts shall be expressed in terms of a number in multiples of 0.01 of a percentage point (one basis point) and shall be quoted in terms of 100.00 minus the interest rate.

006 Trading in HIBOR Futures Contracts shall be carried out through HKATS in accordance with the Rules, these Regulations and the applicable Procedures.

007 The HIBOR Futures Market shall be open for trading in HIBOR Futures Contracts on every Trading Day subject to the Exchange Rules. Trading hours shall be as prescribed by the Board from time to time. Special Trading Session may be declared by the Chief Executive to coincide with potential significant market events.

- 008 Subject to the Exchange Rules, trading in HIBOR Futures Contracts shall cease at the close of trading hours on the applicable Last Trading Day or at such other times as specified by the Board.
- 009 All disputes as to bids, offers, acceptances or withdrawals during trading sessions shall be governed by the Exchange Rules.

#### **FINAL SETTLEMENT PRICE**

- 010 The Exchange shall disseminate the Final Settlement Prices for HIBOR Futures Contracts through HKATS after its determination.
- 011 Subject to Regulation 013, the Final Settlement Prices for HIBOR Futures Contracts shall be based on the corresponding HKD (Hong Kong Dollar) Interest Settlement Rate fixed and published by the HKAB (The Hong Kong Association of Banks) on the Last Trading Day pursuant to procedures established by the HKAB.
- 012 Subject to Regulation 013, the Final Settlement Prices for HIBOR Futures Contracts shall be determined by the Clearing House in accordance with the Contract Specifications.
- 013 If any HKAB HKD Interest Settlement Rate is unobtainable or, in the opinion of the Chief Executive, circumstances have arisen or are threatened which will prevent the calculation of a Final Settlement Price, then the Chief Executive, after consultation with the Commission, may on his own or in conjunction with the Clearing House, take such steps as he deems appropriate to enable a Final Settlement Price to be calculated.
- 013A If no HKAB HKD Interest Settlement Rate is available on the Last Trading Day due to typhoon signal no. 8 or above is hoisted, black rainstorm warning is issued or “extreme conditions” are announced by any government authority of Hong Kong, the Final Settlement Price shall, unless otherwise determined by the Chief Executive, be calculated by reference to the HKAB HKD Interest Settlement Rate which is available on the next Trading Day and the Final Settlement Day will be extended to the same Trading Day on which the HKAB HKD Interest Settlement Rate is available to enable a Final Settlement Price to be calculated.

#### **CASH SETTLEMENT**

- 014 Trading in HIBOR Futures Contracts shall be conducted in and confined to Exchange Contracts for the delivery, by cash settlement on the Final Settlement Day, of an amount equal to the difference between the Cash Settlement Value and the Contracted Value of such respective HIBOR Futures Contracts.

- 015 (a) The obligations of the Buyer and the Seller under a HIBOR Futures Contract are as follows:-
- (i) If the Contracted Value is less than the Cash Settlement Value, the Seller shall be liable to pay to the Clearing House the difference between that Contracted Value and the Cash Settlement Value;
  - (ii) If the Contracted Value is greater than the Cash Settlement Value, the Buyer shall be liable to pay to the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
- (b) The rights of the Buyer and the Seller under a HIBOR Futures Contract are as follows:-
- (i) If the Contracted Value is less than the Cash Settlement Value, the Buyer shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value;
  - (ii) If the Contracted Value is greater than the Cash Settlement Value, the Seller shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
- 016 The obligations and rights of the Buyer and the Seller shall be satisfied by cash settlement by or with the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

## **REGISTRATION**

- 017 All Exchange Participants trading in HIBOR Futures Contracts shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing of HIBOR Futures Contracts.

## **MARGIN AND VARIATION ADJUSTMENTS**

- 018 Clearing House margin, additional margin and variation adjustments shall be set, collected or distributed in respect of HIBOR Futures Contracts in accordance with the Rules.

## **COMMISSION AND LEVIES**

- 019 (i) The rate of commission for each HIBOR Futures Contract shall be negotiable between an Exchange Participant and its Client.
- (ii) Trading of HIBOR Futures Contracts shall be subject to an

Exchange fee which shall become immediately payable to the Exchange upon registration of each Contract with the Clearing House. The Exchange fee shall be paid to the Exchange through the Clearing House and shall be set by the Board from time to time.

- (iii) Any levies required to be paid pursuant to the Ordinance in consequence of trading in HIBOR Futures Contracts shall be paid to the Exchange through the Clearing House in such manner as the Exchange shall, in consultation with the Commission, prescribe from time to time.

020 (deleted)

#### **NON-COMPLIANCE**

- 021 An Exchange Participant which does not comply with these Regulations, the Rules and the applicable Procedures in any respect (including, without limitation, cash settlement with the Clearing House on the Final Settlement Day) shall be liable to disciplinary proceedings under the Exchange Rules.

#### **LARGE OPEN POSITION**

- 022 (a) The Exchange Board shall specify Large Open Positions in the Contract Specifications as provided for in the Exchange Rules.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated HKEX staff as required by the Rules and the applicable Procedures.

**TRADING PROCEDURES FOR ONE-MONTH AND THREE-MONTH HONG KONG INTERBANK OFFERED RATE FUTURES (“HIBOR FUTURES”) TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE (“HKATS”)**

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These procedures shall be read in conjunction with and shall form part of the Exchange Rules. Unless otherwise indicated, the terms used herein shall have the same meanings as contained in the Exchange Rules and/or the Clearing House Rules.

## **CHAPTER 1**

### **TRADING**

#### **1.1**     *Method of Trading*

Trading in One-Month and Three-Month Hong Kong Interbank Offered Rate Futures (“HIBOR Futures”) Contracts shall be conducted exclusively through the Automated Trading System of the Exchange (“HKATS”) in accordance with the Exchange Rules, the Clearing House Rules, applicable Regulations, Contract Specifications and Procedures, the Clearing House Procedures and the HKATS User’s Guide.

#### **1.2**     *Special Trading Session*

From time to time, the Chief Executive may authorize a Special Trading Session to coincide with potentially significant market events. Such events may include, but, shall not be limited to, an announcement of an interest rate sensitive decision made during a meeting of the Federal Open Market Committee Meeting or the release of new information concerning an interest rate sensitive economic indicator in Hong Kong or United States of America.

Notification of an authorized Special Trading Session shall be given to Exchange Participants and the Commission not less than three (3) Trading Days prior to the authorized Special Trading Session.

## **CHAPTER 2**

### **ELIGIBILITY TO TRADE HIBOR FUTURES CONTRACTS**

#### 2.1 *HIBOR Futures Trading Privileges*

An Exchange Participant must be approved by and registered with the Exchange to trade through HKATS.

An Exchange Participant must be approved by the Exchange to trade HIBOR Futures Contracts through HKATS.

#### 2.2 (deleted)



## CHAPTER 3

### MARKET MAKERS IN HIBOR FUTURES CONTRACTS

#### 3.1 *Application for a Market Maker Permit*

An Exchange Participant's application for a Market Maker permit in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract shall be made in writing to the Exchange.

Upon granting a Market Maker permit in the One-Month HIBOR Futures Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with not less than the first three (3) contract months in the One-Month HIBOR Futures Contract.

Upon granting a Market Maker permit in the Three-Month HIBOR Futures Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with the spot contract month plus not less than the first four (4) quarter contract months in the Three-Month HIBOR Futures Contract.

The Exchange may, at the absolute discretion of the Chief Executive, revoke a Market Maker permit in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract or any market making arrangement or other approval granted thereunder if it does not meet the market making requirements set forth in procedures 3.2.1 and/or 3.2.2 for two (2) consecutive calendar months.

#### 3.2 *Market Making Requirements of a Market Maker*

In order for a Market Maker to be entitled to Market Maker Incentives (for itself if applicable and for each of its market making arrangements under the relevant Market Maker permit if any), the Market Maker (itself if applicable) and each such market making arrangement shall separately be required to satisfy the market making requirements set forth in this procedure 3.2 by responding to Quote Requests or providing Continuous Quotes during the Business Days of each calendar month. References to "Market Maker" in procedures 3.2 and 3.3 shall accordingly be construed to mean "Market Maker (itself if applicable) and each of its market making arrangement under the relevant Market Maker permit" or, where the context requires otherwise, any of them.

##### 3.2.1 Market Making Requirements of a Market Maker in the One-Month HIBOR Futures Contract

- 3.2.1.1 A Market Maker in the One-Month HIBOR Futures Contract must either respond to Quote Requests or provide continuous

Quotes. The Exchange Participant shall notify the Exchange of the Market Maker's election(s).

#### 3.2.1.2 Responding to Quote Requests

If a Market Maker in the One-Month HIBOR Futures Contracts elects to respond to Quote Requests, it shall, on Trading Days:

3.2.1.2.1 respond to not less than seventy (70) percent of the Quote Requests on the assigned contract months in the One-Month HIBOR Futures Contracts in each calendar month;

3.2.1.2.2 respond to a Quote Request on an assigned contract month in the One-Month HIBOR Futures Contract within thirty (30) seconds of the Quote Request's display on HKATS;

3.2.1.2.3 respond to a Quote Request on an assigned contract month in the One-Month HIBOR Futures Contract with a Quote for a bid/offer spread not greater than seven (7) Minimum Fluctuations and for a size of not less than ten (10) contracts; and

3.2.1.2.4 display on HKATS a Quote made in response to a Quote Request on an assigned contract month in the One-Month HIBOR Futures Contract for not less than fifteen (15) seconds.

#### 3.2.1.3 Providing Continuous Quotes

If a Market Maker in the One-Month HIBOR Futures Contract elects to provide continuous Quotes, it shall, on Trading Days:

3.2.1.3.1 quote the assigned contract months in the One-Month HIBOR Futures Contract not less than seventy (70) percent of the trading hours for the One-Month HIBOR Futures Contract in each calendar month;

3.2.1.3.2 quote the assigned contract months in the One-Month HIBOR Futures Contract with a bid/offer spread of not greater than ten (10) Minimum Fluctuations and for a size of not less than five (5) contracts; and

3.2.1.3.3 display on HKATS all Quotes made in the assigned

contract months in the One-Month HIBOR Futures Contract for not less than fifteen (15) seconds.

3.2.1.4 A Market Maker shall not be required to meet the market making requirements set forth in procedure 3.2.1 during the first five (5) minutes of each morning trading session.

### 3.2.2 Market Making Requirements of a Market Maker in the Three-Month HIBOR Futures Contract

3.2.2.1 A Market Maker in the Three-Month HIBOR Futures Contract must either respond to Quote Requests or provide continuous Quotes. The Exchange Participant shall notify the Exchange of the Market Maker's election(s)

#### 3.2.2.2 Responding to Quote Requests

If a Market Maker in the Three-Month HIBOR Futures Contract elects to respond to Quote Requests, it shall, on Trading Days:

3.2.2.2.1 respond to not less than seventy (70) percent of the Quote Requests on the assigned contract months in the Three-Month HIBOR Futures Contract in each calendar month;

3.2.2.2.2 respond to a Quote Request on an assigned contract month in the Three-Month HIBOR Futures Contract within thirty (30) seconds of the Quote Request's display on HKATS;

3.2.2.2.3 respond to a Quote Request on an assigned contract month in the Three-Month HIBOR Futures Contract with a Quote with a bid/offer spread of not greater than seven (7) Minimum Fluctuations and for a size of not less than ten (10) contracts; and

3.2.2.2.4 display on HKATS a Quote made in response to a Quote Request on an assigned contract month in the Three-Month HIBOR Futures Contract for not less than fifteen (15) seconds.

#### 3.2.2.3 Providing Continuous Quotes

If a Market Maker in the Three-Month HIBOR Futures Contract elects to provide continuous Quotes, it shall, on Trading Days:

- 3.2.2.3.1 quote the assigned contract months in the Three-Month HIBOR Futures Contract for not less than seventy (70) percent of the trading hours of Three-Month HIBOR Futures Contracts in each calendar month;
  - 3.2.2.3.2 quote the assigned contract months in the Three-Month HIBOR Futures Contract with a bid/offer spread of not greater than ten (10) Minimum Fluctuations and for a size of not less than five (5) contracts; and
  - 3.2.2.3.3 display on HKATS all Quotes made on the assigned contract months in the Three-Month HIBOR Futures Contract for not less than fifteen (15) seconds.
- 3.2.2.4 A Market Maker shall not be required to meet the market making requirements set forth in 3.2.2 during the first five (5) minutes of each morning trading session.
- 3.2.3 A Market Maker in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract shall not be required to meet the market making requirements set forth in procedures 3.2.1 and/or 3.2.2 from 11:30 a.m. to 12:00 noon and from 1:30 p.m. to 2:00 p.m. on each Trading Day.

### 3.3 *Market Making Requirements During Unusual Market Conditions*

During Unusual Market Conditions, the Chief Executive may, in his discretion, temporarily suspend or modify some or all of the market making requirements of a Market Maker.

### 3.4 *Market Making Requirements During a Special Trading Session*

During a Special Trading Session a Market Maker in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract shall:

- 3.4.1 not be required to quote in the assigned contract months within the prescribed bid/offer maximum and/or contract size minimum;
- 3.4.2 not be required to respond to a Quote Request in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract, as the case may be, with a Quote of the prescribed bid/offer spread maximum and/or the contract size minimum; and
- 3.4.3 respond to not less than seventy (70) percent of the Quote Requests in the One-Month HIBOR Futures Contract and/or the Three-Month

HIBOR Futures Contract, as the case may be, in all contract months within thirty (30) seconds of the Quote Request's display on HKATS.

3.5 *Market Maker Incentives*

A Market Maker in the One-Month HIBOR Futures Contract or the Three-Month HIBOR Futures Contract shall be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in the One-Month HIBOR Futures Contract or the Three-Month HIBOR Futures Contract.

Unless otherwise determined by the Chief Executive, a Market Maker shall be entitled to the above Market Maker Incentives only if it satisfies the market making requirements set forth in procedures 3.2.1 and 3.2.2. Without prejudice to any powers or rights of the Exchange or the Chief Executive, if a Market Maker in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract does not meet the prescribed market making requirements for a calendar month, the Exchange reserves the right to charge, at the absolute discretion of the Chief Executive, such Market Maker Exchange Fees at the full rate as specified in the respective Contract Specifications for all transactions effected in that calendar month for all products in respect of which reduced Exchange Fees have been provided for in this procedure.

3.6 *Market Maker may not Trade for Client*

A Market Maker in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract shall not in its capacity as such accept an Order or execute a transaction for any Client and shall ensure that each of its market making arrangements will not execute any transaction for an account other than its own account.

3.7 *Separate Market Maker Accounts for Market Making Arrangements*

Trades arising from market making activities in relation to each of the Market Maker's market making arrangements will be recorded in separate market maker accounts.

## CHAPTER 4

### DEALING FUNCTIONALITY

#### 4.1 *Order Entry*

An Order in a HIBOR Futures Contract may be entered into HKATS only during the trading hours and, where applicable, the pre-opening session (in respect of Limit Orders and Auction Orders) and the pre-open allocation session (in respect of Auction Orders only) of the Pre-Market Opening Period for the HIBOR Futures Contract.

#### 4.2 *Automatic Cancellation of an Order due to Suspension of Trading or Site Failure*

An Order resident on the Central Orderbook for a HIBOR Futures Contract will be canceled upon the suspension of trading in that HIBOR Futures Contract.

Notification of a suspension of trading in a HIBOR Futures Contract will be made on the HKATS Market Message display window.

Notification of the resumption of trading in a suspended HIBOR Futures Contract will be made on the HKATS Market Message display window not less than ten (10) minutes, or such shorter period as the Chief Executive may determine, prior to the resumption of trading in that HIBOR Futures Contract.

An Order automatically canceled due to the suspension of trading in a HIBOR Futures Contract may be re-entered into HKATS upon the resumption of trading in that HIBOR Futures Contract.

In the event of a system failure at an Exchange Participant's site, the Exchange Participant shall contact the Exchange at the HKATS hotline listed in the HKATS User's Guide and advise the Exchange if it wishes to have all its outstanding Orders canceled or remain activated. An Order of an Exchange Participant resident on the Central Orderbook will be inactivated 10 minutes after the occurrence of a system failure at the Exchange Participant's site unless the Exchange Participant has requested the Exchange to keep the Order activated within 10 minutes of the site failure. The Exchange shall not be liable to an Exchange Participant for canceling or keeping activated any Order of the Exchange Participant at its instructions or purported instructions.

An Exchange Participant affected by a system failure at its site may arrange with other Exchange Participants to handle new Orders and subsequently reallocate resulting trades to the corresponding accounts through external allocation according to the Clearing House Rules.

### 4.3 *Order Amendments and Cancellations*

An Order in a HIBOR Futures Contract entered into the Central Orderbook on behalf of a Client or the Exchange Participant and designated a particular Order number may be amended or canceled provided that the amendment or cancellation is made in compliance with the instructions of that Client or the Exchange Participant, as the case may be, in respect of that particular Order.

Exchange Participants may amend, cancel or inactivate Orders resident in the Central Orderbook (“Valid Orders”) only during trading hours and the period of 30 minutes before the opening of each trading session if the Pre-Market Opening Period is not applicable or the pre-opening session of the Pre-Market Opening Period if the Pre-Market Opening Period applies.

A Valid Order that is amended in connection with a reduction in size, a change in the duration of validity, or modification of optional (“free”) text information shall not affect the time priority of the original Valid Order.

A Valid Order that is amended in connection with price or an increase in size: (i) will result in the loss of time priority of the original Valid Order if the amendment is made during trading hours; and (ii) will result in the loss of time priority of the original Valid Order if the amendment is made during the Pre-Market Opening Period (where the Pre-Market Opening Period is applicable). Amendment in connection with price or an increase in size of a Valid Order is not allowed during the 30 minute period before the opening of a trading session (where the Pre-Market Opening Period is not applicable).

### 4.4 (deleted)

### 4.5 *Execution of Standard Combinations*

4.5.1 In the event an Order for a spread or strategy combination listed in the “Series/Combinations” window of HKATS (“standard combination”) involving HIBOR Futures Contracts is entered into HKATS, HKATS will automatically generate derived Orders (“Bait Orders”) based on the prevailing market price of each individual market series comprising the standard combination and the price of the Order for the standard combination. Prices of these Bait Orders will be automatically adjusted according to price movement in the individual market series comprising the standard combination.

4.5.2 The ranking of Bait Orders shall be in accordance with the time the Bait Orders are generated. A Bait Order whose price is automatically adjusted according to the price movement and/or increase in quantity of the individual market series comprising the standard combination shall be treated as if the Bait Order were newly generated.

4.5.3 In the event an Order for a standard combination is executed separately as Bait Orders in the individual market series, each HIBOR Futures Contract comprising the standard combination will be matched at the prevailing market price of the individual market series. Any matched Contracts will be recorded in HKATS as separate trades in the individual market series.

4.5.4 In the event an Order for a standard combination is executed in the standard combination market and not as Bait Orders in the individual market series, the executed price of the standard combination may not necessarily correspond with the prevailing market prices of the HIBOR Futures Contracts comprising the standard combination. The matched standard combination will be recorded in HKATS as separate trades in the individual market series.

4.5.5 (deleted)

#### 4.5A *Execution of HIBOR Strips*

4.5A.1 Notwithstanding the provisions of procedure 4.5, an Order for a standard combination involving consecutive monthly or quarterly series of a HIBOR Futures Contract listed in the "Series/Combinations" window of HKATS ("HIBOR strip") may only be executed in the standard combination market. No Bait Orders will be generated by HKATS.

4.5A.2 The matched HIBOR strip will be recorded in HKATS as a trade in the standard combination market, but will be registered by the Clearing House as separate trades in the individual market series, each with an executed price being the executed price of the HIBOR strip.

4.5A.3 (deleted)

4.6 (deleted)

4.7 (deleted)

#### 4.8 *Pre-Market Opening*

4.8.1 The pre-market opening algorithm of HKATS shall apply to such HIBOR Futures Contract(s) as the Exchange may from time to time notify to Exchange Participants.

4.8.2 The Pre-Market Opening Period shall comprise (i) the pre-opening session; (ii) the pre-open allocation session; and (iii) the open allocation session, the duration of which may be changed by the Exchange and notified to Exchange Participants from time to time at



its discretion.

- 4.8.3 During the pre-opening session, Limit Orders and Auction Orders may be entered into HKATS and may be amended or canceled subject to the provisions of procedure 4.3. During the pre-open allocation session, only Auction Orders may be entered into HKATS. No Orders may be amended or canceled during the pre-open allocation session. During the open allocation session, no Orders may be entered into HKATS and no Orders may be amended or canceled. The Calculated Opening Price (COP), if any, will be calculated, and Orders will be matched subject to Rule 1215 or converted into Limit Orders or inactive Orders in accordance with the procedures set forth below during the open allocation session.
- 4.8.4 A COP will be calculated only if the highest bid price of the Limit Orders entered into HKATS is greater than or equal to the lowest ask price of the Limit Orders. If more than one price satisfies this criterion, the COP shall be calculated according to the following rules:
- 4.8.4.1 The COP shall be one of the bid or offer prices falling at or within the highest bid price and the lowest ask price of the Limit Orders;
- 4.8.4.2 The COP shall be the price at which the number of contracts matched would be maximized;
- 4.8.4.3 If more than one price satisfies the rule in procedure 4.8.4.2, the COP shall be the price at which the normal order imbalance is the lowest. For the purposes of this procedure, normal order imbalance is defined as the difference between the number of bid contracts and the number of ask contracts that can be matched at a certain price;
- 4.8.4.4 If more than one price satisfies the rule in procedure 4.8.4.3, the COP shall be the price at which (i) the aggregate number of contracts comprising the bid Auction Orders and bid Limit Orders at or above that price or (ii) the aggregate number of contracts comprising the ask Auction Orders and ask Limit Orders at or below that price would be the highest;
- 4.8.4.5 If more than one price satisfies the rule in procedure 4.8.4.4, (i) the COP in the case of the morning trading session shall be the price closest to the previous Closing Quotation (as defined in the Clearing House Rules) of the relevant HIBOR Futures Contract and (ii) the COP in the case of the afternoon trading session shall be the price closest to the last traded price if the relevant HIBOR Futures Contract was traded in the immediately preceding morning trading

session or if there was no trading in the immediately preceding morning trading session, the rule in this procedure 4.8.4.5 shall be disregarded and the calculation of the COP shall proceed in accordance with the rule set forth in procedure 4.8.4.6;

- 4.8.4.6 If more than one price satisfies the rule in procedure 4.8.4.5, the COP shall be the highest of such prices.
- 4.8.5 If a COP is calculated, Auction Orders and Limit Orders with ask prices at or below, or bid prices at or above, such determined COP shall be matched at the COP to the extent possible and any unmatched Auction Order shall be converted into a Limit Order with a bid or ask price equal to the COP immediately before Market open. The ranking of such converted Auction Orders and Limit Orders at the COP shall be in accordance with the time the converted Auction Orders and Limit Orders were originally entered into HKATS.
- 4.8.6 If no COP can be calculated according to procedure 4.8.4 but bid and ask prices exist, all bid Auction Orders will be converted immediately before Market open into bid Limit Orders at the highest bid price and all ask Auction Orders will be converted immediately before Market open into ask Limit Orders at the lowest ask price of the Limit Orders entered into HKATS. The ranking of such converted Auction Orders and Limit Orders with the highest bid price or lowest ask price, as the case may be, shall be in accordance with the time the Auction Orders and Limit Orders were originally entered into HKATS.
- 4.8.7 If no COP can be calculated according to procedure 4.8.4 and no bid price or ask price exists, all bid Auction Orders (if no bid price exists) and all ask Auction Orders (if no ask price exists) will be converted into inactive Orders immediately before Market open.
- 4.8.8 The conduct of the Pre-Market Opening Period shall be under the surveillance of designated HKATS Officials. A designated HKATS Official may cancel any Order entered into HKATS during the Pre-Market Opening Period which in his opinion is a manifest error and which would disproportionately affect the Calculated Opening Price.

#### 4.9 *Creation, Execution and Deletion of Tailor-Made Combinations*

- 4.9.1 Exchange Participants can define and create a Tailor-Made Combination involving such HIBOR Futures Contracts and during such trading sessions as the Exchange may from time to time notify Exchange Participants using the tailor-made combination function of HKATS. Once created, a Tailor-Made Combination can be traded like a normal market series.

4.9.2 Exchange Participants shall ensure that the following criteria are satisfied when creating a Tailor-Made Combination:

- the Tailor-Made Combination is one of the strategy combinations prescribed by the Exchange;
- the number of futures contract month (“legs”) comprising the strategy is within the range prescribed by the Exchange;
- the ratio between these legs is within the range prescribed by the Exchange;
- the contract sizes of these legs must be identical;
- the Tailor-Made Combination is not at that time prescribed as a standard combination; and
- an active Order is submitted at the same time as the creation of the Tailor-Made Combination.

4.9.3 Tailor-Made Combinations created on a Trading Day will not be carried forward to the next Trading Day.

4.9.4 The executed price of a trade in a Tailor-Made Combination may not necessarily correspond with the prevailing market prices of the HIBOR Futures Contracts comprising the Tailor-Made Combination. The matched trade in the Tailor-Made Combination will be recorded in HKATS as separate trades in the individual market series.

4.9.5 The Exchange may from time to time prescribe a maximum number of Tailor-Made Combinations that can be listed on HKATS on a Trading Day and a throughput rate for each HKATS connection to create Tailor-Made Combinations to protect the integrity of HKATS and to ensure the proper operation of the Markets.

4.9.6 The Exchange may at any time at its sole discretion limit the number of Tailor-Made Combinations an Exchange Participant may create on a Trading Day by notice to the Exchange Participant.

4.9.7 The Exchange reserves the right to delete any Tailor-Made Combination listed on HKATS and cancel any Order for that Tailor-Made Combination at any time if:

- (i) the Tailor-Made Combination does not satisfy the criteria as prescribed in procedure 4.9.2;
- (ii) there is no active Order for the Tailor-Made Combination;

- (iii) the total number of Tailor-Made Combinations listed on HKATS exceeds the maximum number prescribed and notified to Exchange Participants by the Exchange from time to time;
- (iv) the Tailor-Made Combination is created by an Exchange Participant which has exceeded the limit imposed on it under procedure 4.9.6; or
- (v) the Exchange determines that the Tailor-Made Combination is inappropriate.

4.9.8 Any trade in a Tailor-Made Combination that is not created in accordance with the criteria as prescribed in procedure 4.9.2 will not be considered as a valid trade by the Exchange and, notwithstanding any provisions of the Exchange Rules or the Clearing House Rules, will not be registered or cleared by the Clearing House. In the event that an Exchange Participant has been notified by the Exchange that a Tailor-Made Combination trade is invalid on the Trading Day during which the Tailor-Made Combination trade is executed, the Exchange in conjunction with the Clearing House will, without being required to give further notice to the Exchange Participant, delete the invalid Tailor-Made Combination trade from HKATS and the “deal file” of the clearing system as if the Tailor-Made Combination trade had never been executed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange or the Clearing House directly or indirectly in connection with the deletion of any invalid Tailor-Made Combination trade.

## **CHAPTER 5**

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<p>Contract Specifications For Three-Year Exchange Fund Note (EFN) Futures</p>
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The following Contract Specifications shall apply to the Three-Year Exchange Fund Note (EFN) Futures Contract:

Underlying Contract	Three-year notional Exchange Fund Notes with a coupon of 6%
Contract Size	HK\$1,000,000
Contract Months	Quarter months on the March, June, September, December cycle such that there are always four (4) months listed at any one time
Contracted Value	Contracted Price multiplied by Contract Size divided by 100 [e.g. (101.00 x HK\$1,000,000)/100]
Contracted Price	The price at which a Three-Year EFN Futures Contract is registered by the Clearing House
Minimum Fluctuation	0.01 percent of the Contract Size, which is equivalent to HK\$100
Trading Hours	8:30 a.m. - 12:00 noon and 1:30 p.m. - 5:00 p.m. (Hong Kong time)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:00 noon (Hong Kong time)
Trading Hours on the Last Trading Day	8:30 a.m. - 11:00 a.m. (Hong Kong time)
Trading Method	The Exchange's Automated Trading System (HKATS)
Special Trading Session	The Chief Executive, from time to time, may authorize a Special Trading Session to coincide with potentially significant market events. Not less than three Trading Days prior to a Special Trading Session, Exchange Participants will be notified of the Trading Hours of the Special Trading Session
Price Quotation	As a percentage of the Contract Size, quoted to 2 decimal places. The value of each whole percentage point is HK\$10,000
Position Limits	5,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own

behalf; and

5,000 open contracts, in any one Contract Month, per Client

except that position limits for the Spot Month EFN Futures Contract during the last 6 Trading Days shall be as follows:

1,000 open contracts, in the Spot Month, per Exchange Participant for the Exchange Participant's own behalf; and

1,000 open contracts, in the Spot Month, per Client

Large Open Positions

1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and

1,000 open contracts, in any one Contract Month, per Client

except that large open positions for the Spot Month EFN Futures Contract during the last 6 Trading Days shall be as follows:

200 open contracts, in the Spot Month, per Exchange Participant for the Exchange Participant's own behalf; and

200 open contracts, in the Spot Month, per Client

Settlement Method

Physical delivery of Deliverable Exchange Fund Notes against cash payment of the Final Settlement Value in accordance with the mechanism and provisions set forth in the Regulations for trading EFN Futures Contracts and the Clearing House Rules

Deliverable Exchange Fund Notes

Exchange Fund Notes with maturity of not shorter than 2 years and 6 months and not longer than 3 years and 6 months as at the Final Settlement Day

Final Settlement Value

Contract Size x Final Settlement Price x Conversion Factor<sup>1</sup> + Accrued Interest<sup>2</sup>

Final Settlement Day

The third (3rd) Wednesday of the Contract Month. If the third (3rd) Wednesday of such Contract Month is not a Trading Day then the Final Settlement Day of the Contract shall be the next Trading Day following the third (3rd) Wednesday of the Contract Month

Final Settlement Price

The volume-weighted average traded price of all trades in the Contract Month executed during the 5 minute-interval on the Last Trading Day in which the last trade in the Contract Month was executed. If no trade in the Contract Month is executed on the Last Trading Day, the

Final Settlement Price shall be the previous Trading Day's Closing Quotation

Last Trading Day The Last Trading Day of a Contract shall be two Trading Days before the third (3rd) Wednesday of the Contract Month

Trading Fee (per contract per side) Exchange Fee HK\$6.00

The amount indicated above is subject to change from time to time.

Levies (per contract per side) Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.

Commission Rate Negotiable

Notes:

1. Conversion Factor =  $(A - B) / 100$

where

$$A = \frac{PV}{(1 + 0.06 / 2)^{d/182.5}}$$

$$PV = \frac{C}{2} + \frac{C}{0.06} \times \left(1 - \frac{1}{(1 + 0.06 / 2)^n}\right) + \frac{100}{(1 + 0.06 / 2)^n}$$

$$B = \frac{C}{2} \times \frac{D - d}{182.5}$$

C = annual coupon per nominal value of HK\$100 of the Deliverable Exchange Fund Note

n = number of half years from the next payment date to the maturity date

D = number of days between the last coupon date and the next coupon date; and

d = number of days between the Final Settlement Day and the next coupon date

The value date for calculating the Conversion Factor shall be the Final Settlement Day

2. Accrued Interest = the accrued interest calculated based on the coupon of the Exchange Fund Notes to be delivered for the period from the last coupon date to the Final Settlement Day



**REGULATIONS FOR TRADING EXCHANGE FUND NOTE FUTURES (“EFN FUTURES”) CONTRACTS**

**INTERPRETATION**

001 These Regulations may be cited as the Regulations for trading Exchange Fund Note Futures (“EFN Futures”) (hereinafter referred to as the "Regulations").

002 The Exchange Rules and the Clearing House Rules (referred to collectively as the “Rules”) including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

“Buyer” an HKCC Participant registered as the buyer of an EFN Futures Contract pursuant to the Clearing House Rules;

“Contract Specifications” those terms and conditions of an EFN Futures Contract as from time to time specified by the Board pursuant to Regulations 004 – 005;

“Deliverable Exchange Fund Notes” Exchange Fund Notes eligible for final settlement as specified in the Contract Specifications;

“EFN Futures Contract” an Exchange Contract subject to these Regulations;

“EFN Futures Market” a Market subject to these Regulations;

“Final Settlement Day” the day on which an EFN Futures Contract must be settled as specified in the Contract Specifications;

“Final Settlement Price” the price as determined by the Clearing House pursuant to Regulation 012 or the Chief Executive pursuant to Regulation 013;

“Final Settlement Value” the amount required to be paid by a Buyer on the Final Settlement Day in satisfaction of its settlement obligations, the calculation of which is specified in the Contract Specifications;

“Minimum Fluctuation” the minimum allowable movement in the price of any EFN Futures Contract as specified in the Contract Specifications;

“Seller”	an HKCC Participant registered as the seller of an EFN Futures Contract pursuant to the Clearing House Rules; and
“Spot Month EFN Futures Contract” and “Spot Month”	in a given month: (i) on day(s) prior to and on the Last Trading Day of that month, a Spot Month EFN Futures Contract refers to an EFN Futures Contract with a Last Trading Day in that same given month; and (ii) on the day after the Last Trading Day of that month, a Spot Month EFN Futures Contract refers to an EFN Futures Contract with a Last Trading Day in the immediately following Contract Month; and Spot Month shall be construed accordingly.

### **APPLICABLE RULES AND REGULATIONS**

003 Trading in EFN Futures Contracts shall be subject to and governed by the Rules and these Regulations.

### **CONTRACT SPECIFICATIONS**

004 The terms and conditions for each EFN Futures Contract shall include, among other things:

- (a) Commission Rate;
- (b) Contract Months;
- (c) Contract Size;
- (d) Contract Value;
- (e) Contracted Price;
- (f) Deliverable Exchange Fund Notes;
- (g) Final Settlement Day;
- (h) Final Settlement Price;
- (i) Final Settlement Value;
- (j) Large Open Positions;
- (k) Last Trading Day;
- (l) Minimum Fluctuation;
- (m) Position Limits;
- (n) Price Quotation;
- (o) Settlement Method;
- (p) Special Trading Session;
- (q) Trading Hours;
- (r) Trading Method; and
- (s) Underlying Contract.

005 Contract Specifications for EFN Futures Contracts may be changed from time to time by the Exchange Board in consultation with the Commission. Exchange Participants shall be given notice of a change in the Contract Specifications prior to implementation of the change.

- 005A Without prejudice to Regulation 005, in the event that the services of the Clearing House in respect of the settlement of EFN Futures Contracts on the Final Settlement Day and/or any of the 2 immediately preceding Trading Days are suspended in whole or in part for any reason, the Chief Executive may, in consultation with the Commission, postpone the Final Settlement Day to such date as he deems appropriate to ensure the proper and orderly settlement of EFN Futures Contracts. In the event that the Final Settlement Day is so postponed, the value date for calculating the Conversion Factor and the date for determining the Deliverable Exchange Fund Notes shall be the originally scheduled Final Settlement Day while the value date for calculating the Accrued Interest shall be the actual Final Settlement Day.

## **TRADING**

- 006 Bids and offers for EFN Futures Contracts shall be expressed in multiples of the Minimum Fluctuation. The Minimum Fluctuation shall be as prescribed in the Contract Specifications from time to time.
- 007 Trading in EFN Futures Contracts shall be carried out through HKATS in accordance with the Rules, these Regulations and the applicable Procedures.
- 008 The EFN Futures Market shall be open for trading in EFN Futures Contracts on every Trading Day subject to the Rules. Trading hours shall be as prescribed by the Board from time to time. A Special Trading Session may be declared by the Chief Executive to coincide with potentially significant market events.
- 009 Subject to the Rules, trading in EFN Futures Contracts shall cease at the close of trading hours on the applicable Last Trading Day or at such other times as specified by the Board.
- 010 All disputes in relation to EFN Futures Contracts shall be governed by the Rules.

## **FINAL SETTLEMENT PRICE**

- 011 The Exchange shall, in conjunction with the Clearing House, announce the Final Settlement Price as soon as practicable after it has been determined.
- 012 Subject to Regulation 013, the Final Settlement Price of an EFN Futures Contract shall be a number determined by the Clearing House in accordance with the Contract Specifications.
- 013 If, in the opinion of the Chief Executive, circumstances are developing or have developed which are capable of preventing the calculation of a Final Settlement Price, or which may render a Final Settlement Price unrepresentative of the level of prices at which underlying Exchange Fund Notes are traded on the Last Trading Day, then the Chief Executive, after consultation with the Commission, may on his own or in conjunction with the Clearing House, take such steps as he deems appropriate to enable a Final Settlement Price to be determined.

## **SETTLEMENT**

- 014 The obligations of the Seller of an EFN Futures Contract shall be satisfied by physical delivery of Deliverable Exchange Fund Notes to a Buyer randomly assigned by the Clearing House via the delivery against payment facility of the Central Moneymarkets Unit of the Hong Kong Monetary Authority on the Final Settlement Day in accordance with the Clearing House Rules.
- 015 The obligations of the Buyer of an EFN Futures Contract shall be satisfied by effecting payment of the Final Settlement Value to a Seller randomly assigned by the Clearing House via the delivery against payment facility of the Central Moneymarkets Unit of the Hong Kong Monetary Authority on the Final Settlement Day in accordance with the Clearing House Rules.

## **REGISTRATION**

- 016 All Exchange Participants trading in EFN Futures Contracts shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing of EFN Futures Contracts.

## **MARGIN AND VARIATION ADJUSTMENTS**

- 017 Clearing House margin, additional margin and variation adjustments shall be set, collected or distributed in respect of EFN Futures Contracts in accordance with the Clearing House Rules.

## **COMMISSION AND LEVIES**

- 018 (a) The rate of commission for each EFN Futures Contract shall be negotiable between an Exchange Participant and its Client.
- (b) Every EFN Futures Contract shall be subject to an Exchange Fee which shall become immediately payable to the Exchange upon registration of the Contract with the Clearing House. The Exchange Fee shall be paid to the Exchange through the Clearing House and shall be set by the Exchange Board from time to time.
- (c) All levies required to be paid pursuant to the Ordinance in consequence of trading in EFN Futures Contracts shall be paid to the Exchange through the Clearing House in such manner as the Exchange shall, in consultation with the Commission, prescribe from time to time.

## **POSITION LIMITS**

- 019 (a) The Chief Executive may impose Position Limits on Exchange Participants and their Clients as provided for in the Rules and such Position Limits shall be specified in the Contract Specifications.

- (b) Subject to Rules 629(e) and 630(e), the Chief Executive may, on a case-by-case basis, increase, decrease or remove the Position Limits imposed pursuant to the Rules by giving notice in writing to the Clearing House, the Exchange Participant and the Commission.
- (c) The Chief Executive shall not be required to give any reasons for his decision to increase, decrease or remove the Position Limits pursuant to the Rules.
- (d) Failure to comply with the Position Limits is governed by the Rules.
- (e) Subject to Rules 629(e) and 630(e), the Chief Executive may approve higher Position Limits for Market Makers.

*Note: The Commission may also impose contract limits under the Ordinance.*

### **LARGE OPEN POSITIONS**

- 020 (a) The Exchange Board shall specify Large Open Positions in the Contract Specifications as provided for in the Exchange Rules.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated HKEX staff as required by the Rules and the applicable Procedures.

### **NON-COMPLIANCE**

- 021 An Exchange Participant which does not comply with these Regulations, the Rules and the applicable Procedures in any respect (including, without limitation, settlement with the Clearing House on the Final Settlement Day) shall be liable to disciplinary proceedings under the Exchange Rules.

**TRADING PROCEDURES FOR EXCHANGE FUND NOTE FUTURES (“EFN FUTURES”) TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE (“HKATS”)**

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These procedures shall be read in conjunction with and shall form part of the Exchange Rules. Unless otherwise indicated, the terms used herein shall have the same meanings as contained in the Exchange Rules and/or the Clearing House Rules.

## **CHAPTER 1**

### **TRADING**

#### *1.1 Method of Trading*

Trading in Exchange Fund Note Futures (“EFN Futures”) Contracts shall be conducted exclusively through the Automated Trading System of the Exchange (“HKATS”) in accordance with the Exchange Rules, the Clearing House Rules, applicable Regulations, Contract Specifications and Procedures, the Clearing House Procedures and the HKATS User’s Guide.

#### *1.2 Special Trading Session*

From time to time, the Chief Executive may authorize a Special Trading Session to coincide with potentially significant market events. Such events may include, but, shall not be limited to, an announcement of an interest rate sensitive decision made during a meeting of the Federal Open Market Committee or the release of new information concerning an interest rate sensitive economic indicator in Hong Kong or the United States of America.

Notification of an authorized Special Trading Session shall be given to Exchange Participants and the Commission not less than three (3) Trading Days prior to the authorized Special Trading Session.

## **CHAPTER 2**

### **ELIGIBILITY TO TRADE EFN FUTURES CONTRACTS**

#### 2.1 *EFN Futures Trading Privileges*

An Exchange Participant must be approved by and registered with the Exchange to trade through HKATS.

An Exchange Participant must be approved by the Exchange to trade EFN Futures Contracts through HKATS.

#### 2.2 (deleted)



## CHAPTER 3

### MARKET MAKERS IN EFN FUTURES CONTRACTS

#### 3.1 *Application for a Market Maker Permit*

An Exchange Participant's application for a Market Maker permit in EFN Futures Contracts shall be made in writing to the Exchange.

Upon granting a Market Maker permit in an EFN Futures Contract, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with not less than the first two (2) calendar quarter contract months and one (1) calendar spread for spot/next contract months in the EFN Futures Contract.

#### 3.2 *Market Making Requirements of a Market Maker*

In order for a Market Maker to be entitled to Market Maker Incentives (for itself if applicable and for each of its market making arrangements under the relevant Market Maker permit if any), the Market Maker (itself if applicable) and each such market making arrangement shall separately be required to satisfy the market making requirements set forth in this procedure 3.2. References to "Market Maker" in procedures 3.2 and 3.3 shall accordingly be construed to mean "Market Maker (itself if applicable) and each of its market making arrangement under the relevant Market Maker permit" or, where the context requires otherwise, any of them.

A Market Maker in an EFN Futures Contract must either respond to Quote Requests or provide continuous Quotes for the assigned contract months and calendar spread. The Exchange Participant shall notify the Exchange of the Market Maker's election(s).

##### 3.2.1 Responding to Quote Requests

If a Market Maker elects to respond to Quote Requests, it shall:

- 3.2.1.1 respond to not less than seventy (70) percent of the Quote Requests for the assigned contract months in each calendar month;
- 3.2.1.2 respond to not less than seventy (70) percent of the Quote Requests for the calendar spread for the spot/next contract months during the last eleven (11) Trading Days of the spot month;
- 3.2.1.3 respond to a Quote Request in the EFN Futures Contract within thirty (30) seconds of the Quote Request's display on HKATS;

- 3.2.1.4 respond to a Quote Request for the assigned contract months in the EFN Futures Contract with a Quote with a bid/offer spread of not greater than fifteen (15) Minimum Fluctuations and size of not less than fifty (50) contracts;
- 3.2.1.5 respond to a Quote Request for the calendar spread for the spot/next contract months in the EFN Futures Contract with a Quote with a bid/offer spread of not greater than twenty-five (25) Minimum Fluctuations and size of not less than fifty (50) contracts; and
- 3.2.1.6 display on HKATS a Quote made in response to a Quote Request for not less than fifteen (15) seconds.

### 3.2.2 Providing Continuous Quotes

If a Market Maker elects to provide continuous Quotes, it shall:

- 3.2.2.1 quote the assigned contract months for not less than seventy (70) percent of the trading hours of EFN Futures Contracts in each calendar month;
- 3.2.2.2 quote the calendar spread for the spot/next contract months for not less than seventy (70) percent of the trading hours of EFN Futures Contracts during the last eleven (11) Trading Days of the spot month;
- 3.2.2.3 quote the assigned contract months in the EFN Futures Contract with a bid/offer spread of not greater than fifteen (15) Minimum Fluctuations and size of not less than twenty-five (25) contracts;
- 3.2.2.4 quote the calendar spread for the spot/next contract months in the EFN Futures Contract with a bid/offer spread of not greater than twenty-five (25) Minimum Fluctuations and size of not less than twenty-five (25) contracts; and
- 3.2.2.5 display on HKATS all Quotes in the EFN Futures Contract for not less than fifteen (15) seconds.

A Market Maker shall not be required to meet the market making requirements set forth in this procedure 3.2 from 11:30 a.m. to 12:00 noon, from 1:30 p.m. to 2:00 p.m. on each Trading Day and during the first five (5) minutes of each morning trading session.

The Exchange may, at the absolute discretion of the Chief Executive, revoke the a Market Maker permit in an EFN Futures Contract if it does not meet the market making requirements set forth in procedure 3.2 for two (2) consecutive calendar months.

### 3.3 *Market Making Requirements During Unusual Market Conditions*

During Unusual Market Conditions, the Chief Executive may, in his discretion, temporarily suspend or modify some or all of the market making requirements of a Market Maker.

### 3.4 *Market Making Requirements During a Special Trading Session*

During a Special Trading Session, a Market Maker in an EFN Futures Contract shall not be required to respond to Quote Requests or provide continuous Quotes as specified under procedure 3.2.

### 3.5 *Market Maker Incentives*

A Market Maker in an EFN Futures Contract shall be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in EFN Futures Contracts.

Unless otherwise determined by the Chief Executive, a Market Maker shall be entitled to the above Market Maker Incentives only if it satisfies the market making requirements set forth in procedure 3.2. Without prejudice to any powers or rights of the Exchange or the Chief Executive, if a Market Maker does not meet the prescribed market making requirements for a calendar month, the Exchange reserves the right to charge, at the sole absolute discretion of the Chief Executive, such Market Maker Exchange Fees at the full rate as specified for all transactions in that EFN Futures Contract effected in that calendar month.

### 3.6 *Market Maker may not Trade for Client*

A Market Maker in an EFN Futures Contract shall not in its capacity as such accept an Order or execute a transaction for any Client and shall ensure that each of its market making arrangements will not execute any transaction for an account other than its own account.

### 3.7 *Separate Market Maker Accounts for Market Making Arrangements*

Trades arising from market making activities in relation to each of the Market Maker's market making arrangements will be recorded in separate market maker accounts.

## CHAPTER 4

### DEALING FUNCTIONALITY

#### 4.1 *Order Entry*

An Order in an EFN Futures Contract may be entered into HKATS only during the trading hours and, where applicable, the pre-opening session (in respect of Limit Orders and Auction Orders) and the pre-open allocation session (in respect of Auction Orders only) of the Pre-Market Opening Period for the EFN Futures Contract.

#### 4.2 *Automatic Cancellation of an Order due to Suspension of Trading or Site Failure*

An Order resident on the Central Orderbook for an EFN Futures Contract will be canceled upon the suspension of trading in that EFN Futures Contract.

Notification of a suspension of trading in an EFN Futures Contract will be made on the HKATS Market Message display window.

Notification of the resumption of trading in a suspended EFN Futures Contract will be made on the HKATS Market Message display window not less than ten (10) minutes, or such shorter period as the Chief Executive may determine, prior to the resumption of trading in that EFN Futures Contract.

An Order automatically canceled due to the suspension of trading in an EFN Futures Contract may be re-entered into HKATS upon the resumption of trading in that EFN Futures Contract.

In the event of a system failure at an Exchange Participant's site, the Exchange Participant shall contact the Exchange at the HKATS hotline listed in the HKATS User's Guide and advise the Exchange if it wishes to have all its outstanding Orders canceled or remain activated. An Order of an Exchange Participant resident on the Central Orderbook will be inactivated 10 minutes after the occurrence of a system failure at the Exchange Participant's site unless the Exchange Participant has requested the Exchange to keep the Order activated within 10 minutes of the site failure. The Exchange shall not be liable to an Exchange Participant for canceling or keeping activated any Order of the Exchange Participant at its instructions or purported instructions.

An Exchange Participant affected by a system failure at its site may arrange with other Exchange Participants to handle new Orders and subsequently reallocate resulting trades to the corresponding accounts through external allocation according to the Clearing House Rules.

### 4.3 *Order Amendments and Cancellations*

An Order in an EFN Futures Contract entered into the Central Orderbook on behalf of a Client or the Exchange Participant and designated a particular Order number may be amended or canceled provided that the amendment or cancellation is made in compliance with the instructions of that Client or the Exchange Participant, as the case may be, in respect of that particular Order.

Exchange Participants may amend, cancel or inactivate Orders resident in the Central Orderbook (“Valid Orders”) only during trading hours and the period of 30 minutes before the opening of each trading session if the Pre-Market Opening Period is not applicable or the pre-opening session of the Pre-Market Opening Period if the Pre-Market Opening Period applies.

A Valid Order that is amended in connection with a reduction in size, a change in the duration of validity, or modification of optional (“free”) text information shall not affect the time priority of the original Valid Order.

A Valid Order that is amended in connection with price or an increase in size: (i) will result in the loss of time priority of the original Valid Order if the amendment is made during trading hours; and (ii) will result in the loss of time priority of the original Valid Order if the amendment is made during the Pre-Market Opening Period (where the Pre-Market Opening Period is applicable). Amendment in connection with price or an increase in size of a Valid Order is not allowed during the 30 minute period before the opening of a trading session (where the Pre-Market Opening Period is not applicable).

### 4.4 *Execution of Standard Combinations*

4.4.1 In the event an Order for a spread or strategy combination listed in the “Series/Combinations” window of HKATS (“standard combination”) involving EFN Futures Contracts is entered into HKATS, HKATS will automatically generate derived Orders (“Bait Orders”) based on the prevailing market price of each individual market series comprising the standard combination and the price of the Order for the standard combination. Prices of these Bait Orders will be automatically adjusted according to price movement in the individual market series comprising the standard combination.

4.4.2 The ranking of Bait Orders shall be in accordance with the time the Bait Orders are generated. A Bait Order whose price is automatically adjusted according to the price movement and/or increase in quantity of the individual market series comprising the standard combination shall be treated as if the Bait Order were newly generated.

4.4.3 In the event an Order for a standard combination is executed separately as Bait Orders in the individual market series, each EFN Futures Contract comprising the standard combination will be matched at the prevailing market price of the individual market series. Any matched Contracts will be recorded in HKATS as separate trades in the individual market series.

4.4.4 In the event an Order for a standard combination is executed in the standard combination market and not as Bait Orders in the individual market series, the executed price of the standard combination may not necessarily correspond with the prevailing market prices of the EFN Futures Contracts comprising the standard combination. The matched standard combination will be recorded in HKATS as separate trades in the individual market series.

4.5 *(deleted)*

4.6 *(deleted)*

4.7 *Pre-Market Opening*

4.7.1 The pre-market opening algorithm of HKATS shall apply to such EFN Futures Contract(s) as the Exchange may from time to time notify to Exchange Participants.

4.7.2 The Pre-Market Opening Period shall comprise (i) the pre-opening session; (ii) the pre-open allocation session; and (iii) the open allocation session, the duration of which may be changed by the Exchange and notified to Exchange Participants from time to time at its discretion.

4.7.3 During the pre-opening session, Limit Orders and Auction Orders may be entered into HKATS and may be amended or canceled subject to the provisions of procedure 4.3. During the pre-open allocation session, only Auction Orders may be entered into HKATS. No Orders may be amended or canceled during the pre-open allocation session. During the open allocation session, no Orders may be entered into HKATS and no Orders may be amended or canceled. The Calculated Opening Price (COP), if any, will be calculated, and Orders will be matched subject to Rule 1215 or converted into Limit Orders or inactive Orders in accordance with the procedures set forth below during the open allocation session.

4.7.4 A COP will be calculated only if the highest bid price of the Limit Orders entered into HKATS is greater than or equal to the lowest ask price of the Limit Orders. If more than one price satisfies this criterion, the COP shall be calculated according to the following rules:

4.7.4.1 The COP shall be one of the bid or offer prices falling at or within the highest bid price and the lowest ask price of the Limit Orders;

4.7.4.2 The COP shall be the price at which the number of contracts matched would be maximized;

4.7.4.3 If more than one price satisfies the rule in procedure 4.7.4.2, the COP shall be the price at which the normal order imbalance is the lowest. For the purposes of this procedure,

normal order imbalance is defined as the difference between the number of bid contracts and the number of ask contracts that can be matched at a certain price;

- 4.7.4.4 If more than one price satisfies the rule in procedure 4.7.4.3, the COP shall be the price at which (i) the aggregate number of contracts comprising the bid Auction Orders and bid Limit Orders at or above that price or (ii) the aggregate number of contracts comprising the ask Auction Orders and ask Limit Orders at or below that price would be the highest;
- 4.7.4.5 If more than one price satisfies the rule in procedure 4.7.4.4, (i) the COP in the case of the morning trading session shall be the price closest to the previous Closing Quotation (as defined in the Clearing House Rules) of the relevant EFN Futures Contract and (ii) the COP in the case of the afternoon trading session shall be the price closest to the last traded price if the relevant EFN Futures Contract was traded in the immediately preceding morning trading session or if there was no trading in the immediately preceding morning trading session, the rule in this procedure 4.7.4.5 shall be disregarded and the calculation of the COP shall proceed in accordance with the rule set forth in procedure 4.7.4.6;
- 4.7.4.6 If more than one price satisfies the rule in procedure 4.7.4.5, the COP shall be the highest of such prices.
- 4.7.5 If a COP is calculated, Auction Orders and Limit Orders with ask prices at or below, or bid prices at or above, such determined COP shall be matched at the COP to the extent possible and any unmatched Auction Order shall be converted into a Limit Order with a bid or ask price equal to the COP immediately before Market open. The ranking of such converted Auction Orders and Limit Orders at the COP shall be in accordance with the time the converted Auction Orders and Limit Orders were originally entered into HKATS.
- 4.7.6 If no COP can be calculated according to procedure 4.7.4 but bid and ask prices exist, all bid Auction Orders will be converted immediately before Market open into bid Limit Orders at the highest bid price and all ask Auction Orders will be converted immediately before Market open into ask Limit Orders at the lowest ask price of the Limit Orders entered into HKATS. The ranking of such converted Auction Orders and Limit Orders with the highest bid price or lowest ask price, as the case may be, shall be in accordance with the time the Auction Orders and Limit Orders were originally entered into HKATS.
- 4.7.7 If no COP can be calculated according to procedure 4.7.4 and no bid price or ask price exists, all bid Auction Orders (if no bid price exists) and all ask Auction Orders (if no ask price exists) will be converted into inactive Orders immediately before Market open.

4.7.8 The conduct of the Pre-Market Opening Period shall be under the surveillance of designated HKATS Officials. A designated HKATS Official may cancel any Order entered into HKATS during the Pre-Market Opening Period which in his opinion is a manifest error and which would disproportionately affect the Calculated Opening Price.

#### 4.8 *Creation, Execution and Deletion of Tailor-Made Combinations*

4.8.1 Exchange Participants can define and create a Tailor-Made Combination involving such EFN Futures Contracts and during such trading sessions as the Exchange may from time to time notify Exchange Participants using the tailor-made combination function of HKATS. Once created, a Tailor-Made Combination can be traded like a normal market series.

4.8.2 Exchange Participants shall ensure that the following criteria are satisfied when creating a Tailor-Made Combination:

- the Tailor-Made Combination is one of the strategy combinations prescribed by the Exchange;
- the number of futures contract month (“legs”) comprising the strategy is within the range prescribed by the Exchange;
- the ratio between these legs is within the range prescribed by the Exchange;
- the contract sizes of these legs must be identical;
- the Tailor-Made Combination is not at that time prescribed as a standard combination; and
- an active Order is submitted at the same time as the creation of the Tailor-Made Combination.

4.8.3 Tailor-Made Combinations created on a Trading Day will not be carried forward to the next Trading Day.

4.8.4 The executed price of a trade in a Tailor-Made Combination may not necessarily correspond with the prevailing market prices of the EFN Futures Contracts comprising the Tailor-Made Combination. The matched trade in the Tailor-Made Combination will be recorded in HKATS as separate trades in the individual market series.

4.8.5 The Exchange may from time to time prescribe a maximum number of Tailor-Made Combinations that can be listed on HKATS on a Trading Day and a throughput rate for each HKATS connection to create Tailor-Made Combinations to protect the integrity of HKATS and to ensure the proper operation of the Markets.

4.8.6 The Exchange may at any time at its sole discretion limit the number of Tailor-Made Combinations an Exchange Participant may create on a Trading Day by notice to the Exchange Participants.



4.8.7 The Exchange reserves the right to delete any Tailor-Made Combination listed on HKATS and cancel any Order for that Tailor-Made Combination at any time if:

- (i) the Tailor-Made Combination does not satisfy the criteria as prescribed in procedure 4.8.2;
- (ii) there is no active Order for the Tailor-Made Combination;
- (iii) the total number of Tailor-Made Combinations listed on HKATS exceeds the maximum number prescribed and notified to Exchange Participants by the Exchange from time to time;
- (iv) the Tailor-Made Combination is created by an Exchange Participant which has exceeded the limit imposed on it under procedure 4.8.6; or
- (v) the Exchange determines that the Tailor-Made Combination is inappropriate.

4.8.8 Any trade in a Tailor-Made Combination that is not created in accordance with the criteria as prescribed in procedure 4.8.2 will not be considered as a valid trade by the Exchange and, notwithstanding any provisions of the Exchange Rules or the Clearing House Rules, will not be registered or cleared by the Clearing House. In the event that an Exchange Participant has been notified by the Exchange that a Tailor-Made Combination trade is invalid on the Trading Day during which the Tailor-Made Combination trade is executed, the Exchange in conjunction with the Clearing House will, without being required to give further notice to the Exchange Participant, delete the invalid Tailor-Made Combination trade from HKATS and the “deal file” of the clearing system as if the Tailor-Made Combination trade had never been executed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange or the Clearing House directly or indirectly in connection with the deletion of any invalid Tailor-Made Combination trade.

## **CHAPTER 5**

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<p>Contract Specifications For USD Gold Futures</p>
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The following Contract Specifications shall apply to the USD Gold Futures Contract:

Underlying	1 kilogram gold of not less than 0.9999 fineness bearing a serial number and identifying stamp of a Recognized Refiner
Contract Size	1 kilogram
Trading Currency	U.S. dollars
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	U.S. dollars and cents per gram
Minimum Fluctuation	USD0.01 per gram
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a USD Gold Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	<p>USD Gold Futures and CNH Gold Futures combined of 10,000 net long or short contracts in the Spot Month and 20,000 net long or short contracts in other months per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>USD Gold Futures and CNH Gold Futures combined of 10,000 net long or short contracts in the Spot Month and 20,000 net long or short contracts in other months per Client</p>
Large Open Positions	<p>500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>500 open contracts, in any one Contract Month, per Client</p>
Trading Hours (Hong Kong time)	<p>8:30 a.m. to 4:30 p.m. (day trading session) and 5:15 p.m. to 3:00 a.m. (after-hours trading session)</p> <p>There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:30 p.m.</p>

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	8:30 a.m. to 4:30 p.m.  There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The third Monday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the immediately following Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Physical settlement
Settlement Currency	U.S. dollars
Final Settlement Price	Volume weighted average price (VWAP) of all trades other than Block Trades in the expiring Contract Month that result from the matching on HKATS of (i) two orders in the individual market series; or (ii) a standard combination order and an order in the individual market series, and executed during the last thirty minutes of trading on the Last Trading Day, rounded to the nearest tick.  If there is no valid traded price during the last thirty minutes of trading on the Last Trading Day, the Final Settlement Price shall be determined, rounded to the nearest tick, with reference to the following in the order as they appear: <ul style="list-style-type: none"> <li>(i) the Final Settlement Price of the CNH Gold Futures Contract, converted to USD at such conversion rate as the Exchange may in its absolute discretion determine to be fair and reasonable, taking into account all relevant circumstances as it may consider appropriate;</li> <li>(ii) the mid point of the best bid and corresponding offer prices of the Spot Month Contract during the last thirty minutes of trading on the Last Trading Day; or</li> <li>(iii) any such relevant market indicators quoted or published at or immediately before the close of trading on the Last Trading Day, as the Exchange considers appropriate.</li> </ul>

In addition, the Chief Executive of the Exchange has the power under the Regulations for trading Metal Futures Contracts to determine the Final Settlement Price under certain circumstances

Final Settlement Value	Calculated by the Clearing House in accordance with the Clearing House Rules with reference to the Final Settlement Price of the Deliverable Metal
Delivery Site	An Approved Depository
Minimum Delivery Size	1 kilogram
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">USD1.00</span> The amount indicated above is subject to change from time to time
Settlement Fee (per contract per side)	USD2.00 The amount indicated above is subject to change from time to time
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p>Contract Specifications For CNH Gold Futures</p>
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The following Contract Specifications shall apply to the CNH Gold Futures Contract:

Underlying	1 kilogram gold of not less than 0.9999 fineness bearing a serial number and identifying stamp of a Recognized Refiner
Contract Size	1 kilogram
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per gram
Minimum Fluctuation	RMB0.05 per gram
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a CNH Gold Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD Gold Futures and CNH Gold Futures combined of 10,000 net long or short contracts in the Spot Month and 20,000 net long or short contracts in other months per Exchange Participant for the Exchange Participant's own behalf; and  USD Gold Futures and CNH Gold Futures combined of 10,000 net long or short contracts in the Spot Month and 20,000 net long or short contracts in other months per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Trading Hours (Hong Kong time)	8:30 a.m. to 4:30 p.m. (day trading session) and 5:15 p.m. to 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:30 p.m.

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	8:30 a.m. to 4:30 p.m.  There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The third Monday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the immediately following Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Physical settlement
Settlement Currency	RMB
Final Settlement Price	Volume weighted average price (VWAP) of all trades other than Block Trades in the expiring Contract Month that result from the matching on HKATS of (i) two orders in the individual market series; or (ii) a standard combination order and an order in the individual market series, and executed during the last thirty minutes of trading on the Last Trading Day, rounded to the nearest tick.  If there is no valid traded price during the last thirty minutes of trading on the Last Trading Day, the Exchange will use the Final Settlement Price of the USD Gold Futures Contract (converted to RMB at such conversion rate as the Exchange may in its absolute discretion determine to be fair and reasonable, taking into account all relevant circumstances as it may consider appropriate) to determine the Final Settlement Price.  In addition, the Chief Executive of the Exchange has the power under the Regulations for trading Metal Futures Contracts to determine the Final Settlement Price under certain circumstances
Final Settlement Value	Calculated by the Clearing House in accordance with the Clearing House Rules with reference to the Final Settlement Price of the Deliverable Metal
Delivery Site	An Approved Depository
Minimum Delivery Size	1 kilogram

Trading Fee (per contract per side)	Exchange Fee RMB6.00 The amount indicated above is subject to change from time to time
Settlement Fee (per contract per side)	RMB12.00 The amount indicated above is subject to change from time to time
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable



<p>Contract Specifications For USD Silver Futures</p>
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The following Contract Specifications shall apply to the USD Silver Futures Contract:

Underlying	30 kilogram silver, with weight tolerance of +/- 10%, of not less than 0.9999 fineness, and bearing a serial number and identifying stamp of a Recognized Refiner
Contract Size	30 kilogram
Trading Currency	U.S. dollars
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	U.S. dollars and cents per kilogram
Minimum Fluctuation	USD 0.05 per kilogram
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a USD Silver Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	<p>USD Silver Futures and CNH Silver Futures combined of 3,000 net long or short contracts in the Spot Month and 6,000 net long or short contracts in other months per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>USD Silver Futures and CNH Silver Futures combined of 3,000 net long or short contracts in the Spot Month and 6,000 net long or short contracts in other months per Client</p>
Large Open Positions	<p>500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>500 open contracts, in any one Contract Month, per Client</p>
Trading Hours (Hong Kong time)	<p>8:30 a.m. to 4:30 p.m. (day trading session) and 5:15 p.m. to 3:00 a.m. (after-hours trading session)</p> <p>There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those</p>

three days shall be 8:30 a.m. – 12:30 p.m.

There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China

Trading Hours on  
Last Trading Day  
(Hong Kong time)

8:30 a.m. to 4:30 p.m.

There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:30 p.m.

Trading Method

The Exchange's Automated Trading System (HKATS)

Last Trading Day

The third Monday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the immediately following Trading Day

Final Settlement Day

The second Trading Day after the Last Trading Day

Settlement Method

Physical settlement

Settlement Currency

U.S. dollars

Final Settlement Price

Volume weighted average price (VWAP) of all trades other than Block Trades in the expiring Contract Month that result from the matching on HKATS of (i) two orders in the individual market series; or (ii) a standard combination order and an order in the individual market series, and executed during the last thirty minutes of trading on the Last Trading Day, rounded to the nearest tick.

If there is no valid traded price during the last thirty minutes of trading on the Last Trading Day, the Final Settlement Price shall be determined, rounded to the nearest tick, with reference to the following in the order as they appear:

- (i) the Final Settlement Price of the CNH Silver Futures Contract, converted to USD at such conversion rate as the Exchange may in its absolute discretion determine to be fair and reasonable, taking into account all relevant circumstances as it may consider appropriate;
- (ii) the mid point of the best bid and corresponding offer prices of the Spot Month Contract during the last thirty minutes of trading on the Last Trading Day; or
- (iii) any such relevant market indicators quoted or published at or immediately before the close of trading on the Last Trading Day, as the Exchange considers appropriate.

In addition, the Chief Executive of the Exchange has the power under the Regulations for trading Metal Futures Contracts to determine the Final Settlement Price under

certain circumstances.

Final Settlement Value	Calculated by the Clearing House in accordance with the Clearing House Rules with reference to the Final Settlement Price and the weight of the Deliverable Metal. The weight of each silver bar shall be rounded up to the nearest one gram if the figure in the first decimal place is 5 or above and rounded down to the nearest gram if it is below 5 for the purpose of calculating the Final Settlement Value.
Delivery Site	An Approved Depository
Minimum Delivery Size	30 kilogram
Trading Fee (per contract per side)	Exchange Fee USD 1.00 The amount indicated above is subject to change from time to time
Settlement Fee (per contract per side)	USD 2.00 The amount indicated above is subject to change from time to time
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p>Contract Specifications For CNH Silver Futures</p>
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The following Contract Specifications shall apply to the CNH Silver Futures Contract:

Underlying	30 kilogram silver, with weight tolerance of +/- 10%, of not less than 0.9999 fineness, and bearing a serial number and identifying stamp of a Recognized Refiner
Contract Size	30 kilogram
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per kilogram
Minimum Fluctuation	RMB 0.25 per kilogram
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a CNH Silver Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	<p>USD Silver Futures and CNH Silver Futures combined of 3,000 net long or short contracts in the Spot Month and 6,000 net long or short contracts in other months per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>USD Silver Futures and CNH Silver Futures combined of 3,000 net long or short contracts in the Spot Month and 6,000 net long or short contracts in other months per Client</p>
Large Open Positions	<p>500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and</p> <p>500 open contracts, in any one Contract Month, per Client</p>
Trading Hours (Hong Kong time)	<p>8:30 a.m. to 4:30 p.m. (day trading session) and 5:15 p.m. to 3:00 a.m. (after-hours trading session)</p> <p>There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those</p>

three days shall be 8:30 a.m. – 12:30 p.m.

There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China

Trading Hours on  
Last Trading Day  
(Hong Kong time)

8:30 a.m. to 4:30 p.m.

There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:30 p.m.

Trading Method

The Exchange's Automated Trading System (HKATS)

Last Trading Day

The third Monday of the Contract Month and if it is not a Trading Day, the Last Trading Day shall be the immediately following Trading Day

Final Settlement Day

The second Trading Day after the Last Trading Day

Settlement Method

Physical settlement

Settlement Currency

RMB

Final Settlement Price

Volume weighted average price (VWAP) of all trades other than Block Trades in the expiring Contract Month that result from the matching on HKATS of (i) two orders in the individual market series; or (ii) a standard combination order and an order in the individual market series, and executed during the last thirty minutes of trading on the Last Trading Day, rounded to the nearest tick.

If there is no valid traded price during the last thirty minutes of trading on the Last Trading Day, the Exchange will use the Final Settlement Price of the USD Silver Futures Contract (converted to RMB at such conversion rate as the Exchange may in its absolute discretion determine to be fair and reasonable, taking into account all relevant circumstances as it may consider appropriate) to determine the Final Settlement Price.

In addition, the Chief Executive of the Exchange has the power under the Regulations for trading Metal Futures Contracts to determine the Final Settlement Price under certain circumstances.

Final Settlement Value

Calculated by the Clearing House in accordance with the Clearing House Rules with reference to the Final Settlement Price and the weight of the Deliverable Metal. The weight of each silver bar shall be rounded up to the nearest one gram if the figure in the first decimal place is 5 or above and rounded down to the nearest gram if it is below 5 for the purpose of

calculating the Final Settlement Value.

Delivery Site	An Approved Depository
Minimum Delivery Size	30 kilogram
Trading Fee (per contract per side)	Exchange Fee RMB 6.00 The amount indicated above is subject to change from time to time
Settlement Fee (per contract per side)	RMB 12.00 The amount indicated above is subject to change from time to time
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p>Contract Specifications For CNH London Aluminium Mini Futures</p>
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The following Contract Specifications shall apply to the CNH London Aluminium Mini Futures Contract:-

Underlying	High Grade Primary Aluminium as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per tonne
Minimum Fluctuation	RMB5 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a CNH London Aluminium Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Aluminium Mini Futures and CNH London Aluminium Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Aluminium Mini Futures and CNH London Aluminium Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 8:00 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 9:00 p.m. (after-hours trading session outside British Summer Time)
	There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Aluminium Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month
	If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	RMB
Final Settlement Price	The Final Settlement Price of CNH London Aluminium Mini Futures Contracts shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Aluminium Futures Contract two London Business Days before the third Wednesday of the Spot Month, and converted to RMB equivalent using the USD/CNY(HK) Spot Rate published by the Treasury Markets Association in Hong Kong at or around 11:30 a.m. Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee RMB3.00 The amount indicated above is subject to change from time to time.
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
	Exchange Participants shall pay the prescribed amount of



Commission Levy in RMB equivalent (at the conversion rate determined by the Exchange, rounded to the nearest RMB Cent)

Commission Rate                      Negotiable

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<p>Contract Specifications For CNH London Zinc Mini Futures</p>
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The following Contract Specifications shall apply to the CNH London Zinc Mini Futures Contract:-

Underlying	Special High Grade Zinc as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per tonne
Minimum Fluctuation	RMB5 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a CNH London Zinc Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Zinc Mini Futures and CNH London Zinc Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Zinc Mini Futures and CNH London Zinc Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 7:55 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 8:55 p.m. (after-hours trading session outside British Summer Time)
	There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Zinc Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month  If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	RMB
Final Settlement Price	The Final Settlement Price of CNH London Zinc Mini Futures Contracts shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Zinc Futures Contract two London Business Days before the third Wednesday of the Spot Month, and converted to RMB equivalent using the USD/CNY(HK) Spot Rate published by the Treasury Markets Association in Hong Kong at or around 11:30 a.m. Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee RMB3.00 The amount indicated above is subject to change from time to time.
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Exchange Participants shall pay the prescribed amount of Commission Levy in RMB equivalent (at the conversion rate

determined by the Exchange, rounded to the nearest RMB Cent)

Commission Rate                      Negotiable

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<p>Contract Specifications For CNH London Copper Mini Futures</p>
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The following Contract Specifications shall apply to the CNH London Copper Mini Futures Contract:-

Underlying	Copper – Grade A as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per tonne
Minimum Fluctuation	RMB10 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a CNH London Copper Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Copper Mini Futures and CNH London Copper Mini Futures combined of 50,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and  USD London Copper Mini Futures and CNH London Copper Mini Futures combined of 50,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant’s own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 7:35 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 8:35 p.m. (after-hours trading session outside British Summer Time)
	There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Copper Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month  If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	RMB
Final Settlement Price	The Final Settlement Price of CNH London Copper Mini Futures Contracts shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Copper Futures Contract two London Business Days before the third Wednesday of the Spot Month, and converted to RMB equivalent using the USD/CNY(HK) Spot Rate published by the Treasury Markets Association in Hong Kong at or around 11:30 a.m. Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">RMB3.00</span> The amount indicated above is subject to change from time to time.
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance  Exchange Participants shall pay the prescribed amount of

Commission Levy in RMB equivalent (at the conversion rate determined by the Exchange, rounded to the nearest RMB Cent)

Commission Rate                      Negotiable

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<p>Contract Specifications For CNH London Nickel Mini Futures</p>
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The following Contract Specifications shall apply to the CNH London Nickel Mini Futures Contract:-

Underlying	Primary Nickel as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	1 tonne
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per tonne
Minimum Fluctuation	RMB10 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a CNH London Nickel Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Nickel Mini Futures and CNH London Nickel Mini Futures combined of 50,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Nickel Mini Futures and CNH London Nickel Mini Futures combined of 50,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.



	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 8:05 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 9:05 p.m. (after-hours trading session outside British Summer Time)
	There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Nickel Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month
	If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	RMB
Final Settlement Price	The Final Settlement Price of CNH London Nickel Mini Futures Contracts shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Nickel Futures Contract two London Business Days before the third Wednesday of the Spot Month, and converted to RMB equivalent using the USD/CNY(HK) Spot Rate published by the Treasury Markets Association in Hong Kong at or around 11:30 a.m. Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee RMB3.00 The amount indicated above is subject to change from time to time
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Exchange Participants shall pay the prescribed amount of

Commission Levy in RMB equivalent (at the conversion rate determined by the Exchange, rounded to the nearest RMB Cent)

Commission Rate                      Negotiable

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<p>Contract Specifications For CNH London Tin Mini Futures</p>
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The following Contract Specifications shall apply to the CNH London Tin Mini Futures Contract:-

Underlying	Tin as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	1 tonne
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per tonne
Minimum Fluctuation	RMB10 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a CNH London Tin Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Tin Mini Futures and CNH London Tin Mini Futures combined of 15,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Tin Mini Futures and CNH London Tin Mini Futures combined of 15,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 7:45 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 8:45 p.m. (after-hours trading session outside British Summer Time)
	There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Tin Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month  If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	RMB
Final Settlement Price	The Final Settlement Price of CNH London Tin Mini Futures Contracts shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Tin Futures Contract two London Business Days before the third Wednesday of the Spot Month, and converted to RMB equivalent using the USD/CNY(HK) Spot Rate published by the Treasury Markets Association in Hong Kong at or around 11:30 a.m. Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee RMB3.00 The amount indicated above is subject to change from time to time
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance  Exchange Participants shall pay the prescribed amount of

Commission Levy in RMB equivalent (at the conversion rate determined by the Exchange, rounded to the nearest RMB Cent)

Commission Rate                      Negotiable

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<p>Contract Specifications For CNH London Lead Mini Futures</p>
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The following Contract Specifications shall apply to the CNH London Lead Mini Futures Contract:-

Underlying	Standard Lead as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per tonne
Minimum Fluctuation	RMB5 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a CNH London Lead Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Lead Mini Futures and CNH London Lead Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Lead Mini Futures and CNH London Lead Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 7:50 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 8:50 p.m. (after-hours trading session outside British Summer Time)
	There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Lead Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month  If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	RMB
Final Settlement Price	The Final Settlement Price of CNH London Lead Mini Futures Contracts shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Lead Futures Contract two London Business Days before the third Wednesday of the Spot Month, and converted to RMB equivalent using the USD/CNY(HK) Spot Rate published by the Treasury Markets Association in Hong Kong at or around 11:30 a.m. Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee RMB3.00 The amount indicated above is subject to change from time to time
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance  Exchange Participants shall pay the prescribed amount of

Commission Levy in RMB equivalent (at the conversion rate determined by the Exchange, rounded to the nearest RMB Cent)

Commission Rate                      Negotiable

Note:

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<p>Contract Specifications For USD London Aluminium Mini Futures</p>
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The following Contract Specifications shall apply to the USD London Aluminium Mini Futures Contract:-

Underlying	High Grade Primary Aluminium as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	USD
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	USD per tonne
Minimum Fluctuation	USD0.5 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a USD London Aluminium Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Aluminium Mini Futures and CNH London Aluminium Mini Futures combined of 25,000 net long or short contracts in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Aluminium Mini Futures and CNH London Aluminium Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 8:00 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 9:00 p.m. (after-hours trading session outside British Summer Time)
	There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Aluminium Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month  If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	USD
Final Settlement Price	The Final Settlement Price of USD London Aluminium Mini Futures Contracts shall be determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Aluminium Futures Contract two London Business Days before the third Wednesday of the Spot Month
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee USD0.50 The amount indicated above is subject to change from time to time
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

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<p>Contract Specifications For USD London Zinc Mini Futures</p>
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The following Contract Specifications shall apply to the USD London Zinc Mini Futures Contract:-

Underlying	Special High Grade Zinc as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	USD
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	USD per tonne
Minimum Fluctuation	USD0.5 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a USD London Zinc Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Zinc Mini Futures and CNH London Zinc Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Zinc Mini Futures and CNH London Zinc Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.  There is no after-hours trading session if it is a bank holiday

in the United Kingdom, the United States and the People's Republic of China

Trading Hours on Last Trading Day (Hong Kong time) 9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 7:55 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 8:55 p.m. (after-hours trading session outside British Summer Time)

There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

Trading Method The Exchange's Automated Trading System (HKATS)

Last Trading Day The Last Trading Day determined by The London Metal Exchange for its Zinc Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month

If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day

Final Settlement Day The second Trading Day after the Last Trading Day

Settlement Method Cash settled contract of difference

Settlement Currency USD

Final Settlement Price The Final Settlement Price of USD London Zinc Mini Futures Contracts shall be determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Zinc Futures Contract two London Business Days before the third Wednesday of the Spot Month

Cash Settlement Value The Final Settlement Price multiplied by the Contract Size

Trading Fee Exchange Fee USD0.50  
(per contract per side) The amount indicated above is subject to change from time to time

Levies Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate Negotiable

Note:

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<p>Contract Specifications For USD London Copper Mini Futures</p>
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The following Contract Specifications shall apply to the USD London Copper Mini Futures Contract:-

Underlying	Copper – Grade A as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	USD
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	USD per tonne
Minimum Fluctuation	USD0.5 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a USD London Copper Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Copper Mini Futures and CNH London Copper Mini Futures combined of 50,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and  USD London Copper Mini Futures and CNH London Copper Mini Futures combined of 50,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant’s own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China

Trading Hours on Last Trading Day (Hong Kong time) 9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 7:35 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 8:35 p.m. (after-hours trading session outside British Summer Time)

There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

Trading Method The Exchange's Automated Trading System (HKATS)

Last Trading Day The Last Trading Day determined by The London Metal Exchange for its Copper Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month

If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day

Final Settlement Day The second Trading Day after the Last Trading Day

Settlement Method Cash settled contract of difference

Settlement Currency USD

Final Settlement Price The Final Settlement Price of USD London Copper Mini Futures Contracts shall be determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Copper Futures Contract two London Business Days before the third Wednesday of the Spot Month

Cash Settlement Value The Final Settlement Price multiplied by the Contract Size

Trading Fee Exchange Fee USD0.50  
(per contract per side) The amount indicated above is subject to change from time to time

Levies Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate Negotiable

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<p>Contract Specifications For USD London Nickel Mini Futures</p>
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The following Contract Specifications shall apply to the USD London Nickel Mini Futures Contract:-

Underlying	Primary Nickel as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	1 tonne
Trading Currency	USD
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	USD per tonne
Minimum Fluctuation	USD1 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a USD London Nickel Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Nickel Mini Futures and CNH London Nickel Mini Futures combined of 50,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Nickel Mini Futures and CNH London Nickel Mini Futures combined of 50,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.  There is no after-hours trading session if it is a bank holiday

in the United Kingdom, the United States and the People's Republic of China

Trading Hours on  
Last Trading Day  
(Hong Kong time)

9:00 a.m. – 4:30 p.m. (day trading session) and  
5:15 p.m. – 8:05 p.m. (after-hours trading session  
during British Summer Time)  
5:15 p.m. – 9:05 p.m. (after-hours trading session outside  
British Summer Time)

There shall be no trading after 12:30 p.m. on the eves of  
Christmas, New Year and Lunar New Year. The trading hours  
on those three days shall be 9:00 a.m. – 12:30 p.m.

Trading Method

The Exchange's Automated Trading System (HKATS)

Last Trading Day

The Last Trading Day determined by The London Metal  
Exchange for its Nickel Futures Contract, which is two  
London Business Days before the third Wednesday of the  
Spot Month

If it is not a Trading Day, the Last Trading Day shall be the  
immediately preceding Trading Day

Final Settlement Day

The second Trading Day after the Last Trading Day

Settlement Method

Cash settled contract of difference

Settlement Currency

USD

Final Settlement Price

The Final Settlement Price of USD London Nickel Mini  
Futures Contracts shall be determined by the Clearing House,  
and shall be the Official Settlement Price determined and  
published by The London Metal Exchange for its Nickel  
Futures Contract two London Business Days before the third  
Wednesday of the Spot Month

Cash Settlement Value

The Final Settlement Price multiplied by the Contract Size

Trading Fee  
(per contract per side)

Exchange Fee USD0.50  
The amount indicated above is subject to change from time to  
time

Levies

Commission Levy and Investor Compensation Levy are  
payable at the rate or of the amount prescribed from time to  
time pursuant to the Ordinance

Commission Rate

Negotiable

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<p>Contract Specifications For USD London Tin Mini Futures</p>
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The following Contract Specifications shall apply to the USD London Tin Mini Futures Contract:-

Underlying	Tin as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	1 tonne
Trading Currency	USD
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	USD per tonne
Minimum Fluctuation	USD1 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a USD London Tin Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Tin Mini Futures and CNH London Tin Mini Futures combined of 15,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Tin Mini Futures and CNH London Tin Mini Futures combined of 15,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 7:45 p.m. (after-hours trading session during British Summer Time) 5:15 p.m. – 8:45 p.m. (after-hours trading session outside British Summer Time)
	There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Tin Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month  If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day
Final Settlement Day	The second Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	USD
Final Settlement Price	The Final Settlement Price of USD London Tin Mini Futures Contracts shall be determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Tin Futures Contract two London Business Days before the third Wednesday of the Spot Month
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee USD0.50 The amount indicated above is subject to change from time to time
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

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<p>Contract Specifications For USD London Lead Mini Futures</p>
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The following Contract Specifications shall apply to the USD London Lead Mini Futures Contract:-

Underlying	Standard Lead as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	USD
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	USD per tonne
Minimum Fluctuation	USD0.5 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a USD London Lead Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	USD London Lead Mini Futures and CNH London Lead Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  USD London Lead Mini Futures and CNH London Lead Mini Futures combined of 25,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.  There is no after-hours trading session if it is a bank holiday

in the United Kingdom, the United States and the People's Republic of China

Trading Hours on Last Trading Day (Hong Kong time)

9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 7:50 p.m. (after-hours trading session during British Summer Time)  
5:15 p.m. – 8:50 p.m. (after-hours trading session outside British Summer Time)

There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.

Trading Method

The Exchange's Automated Trading System (HKATS)

Last Trading Day

The Last Trading Day determined by The London Metal Exchange for its Lead Futures Contract, which is two London Business Days before the third Wednesday of the Spot Month

If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Trading Day

Final Settlement Day

The second Trading Day after the Last Trading Day

Settlement Method

Cash settled contract of difference

Settlement Currency

USD

Final Settlement Price

The Final Settlement Price of USD London Lead Mini Futures Contracts shall be determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Lead Futures Contract two London Business Days before the third Wednesday of the Spot Month

Cash Settlement Value

The Final Settlement Price multiplied by the Contract Size

Trading Fee (per contract per side)

Exchange Fee USD0.50  
The amount indicated above is subject to change from time to time

Levies

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate

Negotiable

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<p>Contract Specifications For TSI Iron Ore Fines 62% Fe CFR China Futures</p>
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The following Contract Specifications shall apply to the TSI Iron Ore Fines 62% Fe CFR China Futures Contract:-

Underlying	TSI Iron Ore Fines 62% Fe CFR China Index
Contract Size	100 tonnes
Trading Currency	U.S. dollars
Contract Months	For Monthly Contracts: Spot Month and the next 23 calendar months  For Quarterly Contracts: Spot Quarter and the next seven calendar quarters (i.e. calendar quarters are January to March, April to June, July to September and October to December)  The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	U.S. dollars and cents per tonne
Minimum Fluctuation	USD 0.01 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a TSI Iron Ore Fines 62% Fe CFR China Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	30,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  30,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 3:00 a.m. (after-hours trading session)

	There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:30 p.m.
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:30 p.m. (day trading session) and 5:15 p.m. – 6:30 p.m. (after-hours trading session)
	There is no trading after 12:30 p.m. on the Last Trading Day that is the last Trading Day before New Year’s Day or the Lunar New Year, and which is also the last day before New Year’s Day or the Lunar New Year on which the TSI Iron Ore Fines 62% Fe CFR China Index is published. The trading hours on those two days shall be 9:00 a.m. – 12: 30 p.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Last Trading Day	For Monthly Contracts: The last Trading Day of a calendar month that is not a Singapore public holiday  For Quarterly Contracts: The Last Trading Day of the last Monthly Contract in the calendar quarter
Final Settlement Day	The second Trading Day after the Last Trading Day, provided that if (i) the Last Trading Day is on the last Trading Day before New Year’s Day or the Lunar New Year, (ii) the Trading Hours of the Spot Month Contract and the Spot Quarter Contract end at 12:30 p.m., and (iii) the day trading session of other Contract Months ends at 4:30 p.m., the Final Settlement Day shall be the first Trading Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	U.S. dollars
Final Settlement Price	For Monthly Contracts: The Final Settlement Price shall be the arithmetic average of all TSI Iron Ore Fines 62% Fe CFR China Index values published in that Contract Month, rounded to 2 decimal places. It is rounded up if the figure in the third decimal place is 5 or above and rounded down if it is below 5;  For Quarterly Contracts: The Final Settlement Price shall be the arithmetic average of the Final Settlement Prices of the three corresponding Monthly Contracts in that Contract Quarter, rounded to 2 decimal places. It is rounded up if the figure in the third decimal place is 5 or above and rounded down if it is below 5  The Chief Executive of the Exchange has the power under the Regulations for trading Metal Futures Contracts to determine the Final Settlement Price under certain circumstances.
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee USD1.00 The amount indicated above is subject to change from time to time

Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance  Exchange Participants shall pay the prescribed amount of Commission Levy in US Dollar equivalent (at the conversion rate determined by the Exchange, rounded to the nearest US Cents)
Commission Rate	Negotiable

## REGULATIONS FOR TRADING METAL FUTURES CONTRACTS

### INTERPRETATION

001 These Regulations may be cited as the Regulations for trading Metal Futures Contracts (hereinafter referred to as the "Regulations").

002 The Exchange Rules and the Clearing House Rules (referred to collectively as the "Rules") including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

"Approved Depository" in respect of a Physically Settled Metal Futures Contract, a depository for precious metals approved by the Clearing House and included on the list of Approved Depositories published by the Clearing House from time to time;

"Approved Depository Account Agreement" an agreement between an HKCC Participant and an Approved Depository containing such terms as the Clearing House may require;

"British Summer Time" the last Sunday of March to the last Sunday of October, which is the period when the United Kingdom is one hour ahead of Greenwich Mean Time;

"Buyer" an HKCC Participant registered as the buyer of a Metal Futures Contract pursuant to the Clearing House Rules;

"Cash Settled Metal Futures Contract" a Metal Futures Contract which specifies "Cash settled contract of difference" as the settlement method in the applicable Contract Specifications;

"Cash Settlement Value" in respect of any Cash Settled Metal Futures Contract, the Final Settlement Price multiplied by the Contract Size;

"Contract Month" in respect of any Metal Futures Contract, the month and year by which that contract is so designated by the Board for cash settlement or physical settlement under these Regulations and in which cash settlement or physical settlement of that contract must be made in accordance with these Regulations;

"Contract Size" for any Metal Futures Contract, the size so designated in the applicable Contract Specifications;

"Contract Specifications" those terms and conditions of a Metal Futures Contract as from time to time specified by the Board pursuant to Regulations 003 – 004;

"Contracted Price" the price at which a Metal Futures Contract is registered by the Clearing House;



“Contracted Value”	the Contracted Price multiplied by the Contract Size;
“Deliverable Metal”	in respect of any Physically Settled Metal Futures Contract, the metal underlying such contract which is to be delivered by the Seller to the Buyer;
“Delivery Agent”	in respect of a Physically Settled Metal Futures Contract, an HKCC Participant appointed as such by another HKCC Participant for the delivery of Deliverable Metal underlying such Physically Settled Metal Futures Contract for such other HKCC Participant under the terms of a Delivery Agreement;
“Delivery Agreement”	means an agreement between an HKCC Participant and its Delivery Agent containing such terms as may be specified by the Clearing House;
“Delivery Notice”	means any notice to be provided by a Seller under a Physically Settled Metal Futures Contract in a form prescribed and published by the Clearing House from time to time;
“Final Settlement Day”	the day on which a Metal Futures Contract must be settled as specified in the Contract Specifications;
“Final Settlement Price”	the price as determined by the Clearing House pursuant to Regulation 011 or the Chief Executive pursuant to Regulation 012;
“Final Settlement Value”	in respect of any Physically Settled Metal Futures Contract, the final settlement value as specified in the Contract Specifications which is payable by a Buyer for the Deliverable Metal which is to be delivered to it by the relevant Seller;
“HKATS”	the Exchange's automated trading system, as defined in the Rules;
“Large Open Position”	the number of open Exchange Contracts determined by the Board to be a Large Open Position pursuant to Rule 628 of the Exchange Rules;
“Last Trading Day”	the last day of trading for a Metal Futures Contract as specified in the Contract Specifications;
“London Business Day”	for London Aluminium/ Zinc/ Copper/ Nickel/ Tin/ Lead Mini Futures, means any day during which the official settlement price for the relevant metal determined and published by The London Metal Exchange is available;
“Maximum Fluctuation”	the maximum allowable movement in the price of any Metal Futures Contract per trading session above or below the last Closing Quotation or such reference price as may be specified by the Exchange from time to time;

“Metal Futures Contract”	an Exchange Contract subject to these Regulations;
“Metal Futures Market”	a Market subject to these Regulations;
“Minimum Fluctuation”	the minimum allowable movement in the price of any Metal Futures Contract as specified in the Contract Specifications;
“Monthly Contract”	an Exchange Contract that has a term of one month;
“Non-delivery HKCC Participant”	in respect of a Physically Settled Metal Futures Contract, an HKCC Participant which neither has itself entered into, nor has entered into a Delivery Agreement with another HKCC Participant which has entered into, an Approved Depository Account Agreement with each of the Approved Depositories relating to the Deliverable Metal underlying such Physically Settled Metal Futures Contract;
“Physically Settled Metal Futures Contract”	a Metal Futures Contract which specifies “Physical Settlement” as the settlement method in the applicable Contract Specifications;
“Quarterly Contract”	an Exchange Contract that has a quarterly term starting in January, April, July or October;
“Recognized Assayer”	in respect of a Physically Settled Metal Futures Contract, an assayer for precious metals which is included on the list of Recognized Assayers published by the Exchange from time to time;
“Recognized Depository”	in respect of a Physically Settled Metal Futures Contract, a depository for precious metals which is included on the list of Recognized Depositories published by the Exchange from time to time;
“Recognized Forwarder”	in respect of a Physically Settled Metal Futures Contract, a transportation firm specializing in transporting precious metals which is included on the list of Recognized Forwarders published by the Exchange from time to time;
“Recognized Refiner”	in respect of a Physically Settled Metal Futures Contract, a precious metal refinery which is included on the list of Recognized Refiners published by the Exchange from time to time;
“Re-novated Contract”	has the meaning given to it in Rule 309A of the Clearing House Rules and “Contract Re-novation” shall be construed accordingly;
“Seller”	an HKCC Participant registered as the seller of a Metal Futures Contract pursuant to the Clearing House Rules;
“Settlement Currency”	in respect of any Metal Futures Contract, the currency in which the Metal Futures Contract shall be settled, as

specified in the Contract Specifications;

“Spot Month”

in a given month: (i) on day(s) prior to and on the Last Trading Day of that month, a Spot Month Metal Futures Contract refers to a Metal Futures Contract traded on such days that has a Last Trading Day in that same given month; and (ii) on the day after the Last Trading Day of that month, a Spot Month Metal Futures Contract refers to a Metal Futures Contract traded on such a day that has a Last Trading Day in the immediately following month;

“Spot Quarter”

in a given calendar quarter: (i) on day(s) prior to and on the Last Trading Day of the last month of that quarter, a Spot Quarter Metal Futures Contract refers to a Quarterly Contract in the Metal Futures Contract traded on such days that has a Last Trading Day in that same given quarter; and (ii) on the day after the Last Trading Day of that quarter, a Spot Quarter Metal Futures Contract refers to a Quarterly Contract in the Metal Futures Contract traded on such a day that has a Last Trading Day in the last month of the immediately following quarter; and

“Trading Hours”

such period or periods, approved by the Board, within a Trading Day in which trading in any or all Metal Futures Contracts occurs, as specified in the Contract Specifications.

## **CONTRACT SPECIFICATIONS**

003 The terms and conditions for each Metal Futures Contract shall include, among other things:

- (a) Cash Settlement Value (for Cash Settled Metal Futures Contracts only);
- (b) Commission Rate;
- (c) Contract Months;
- (d) Contract Size;
- (e) Contracted Price;
- (f) Contracted Value;
- (g) Final Settlement Day;
- (h) Final Settlement Price;
- (i) Final Settlement Value;
- (j) Large Open Positions;
- (k) Last Trading Day;
- (l) Maximum Fluctuation;
- (m) Minimum Fluctuation;
- (n) Position Limits;
- (o) Price Quotation;
- (p) Settlement Currency;
- (q) Settlement Method;
- (r) Trading Currency;
- (s) Trading Hours; and

(t) Trading Method.

004 Contract Specifications for Metal Futures Contracts may be changed from time to time by the Board in consultation with the Commission. Exchange Participants shall be given notice of a change in the Contract Specifications prior to implementation of the change.

## **TRADING**

005 Bids and offers for Metal Futures Contracts shall be expressed in terms of a number in multiples of the Minimum Fluctuation. The Minimum Fluctuation shall be as prescribed in the Contract Specifications from time to time.

006 Trading in Metal Futures Contracts shall be carried out through HKATS in accordance with the Rules, these Regulations and the applicable Procedures.

007 The Metal Futures Market shall be open for trading in Metal Futures Contracts on every Trading Day subject to the Exchange Rules. Trading hours shall be as prescribed by the Board from time to time.

008 Subject to the Exchange Rules, trading in Metal Futures Contracts shall cease at the close of trading hours on the applicable Last Trading Day or at such other times as specified by the Board.

009 All disputes as to bids, offers, acceptances or withdrawals during trading sessions shall be governed by the Exchange Rules.

## **FINAL SETTLEMENT PRICE**

010 The Exchange shall, in conjunction with the Clearing House, announce the Final Settlement Price as soon as practicable after it has been determined.

011 Subject to Regulation 012, the Final Settlement Prices for Metal Futures Contracts shall be determined by the Clearing House in accordance with the Contract Specifications.

012 If, in the opinion of the Chief Executive, circumstances have developed which prevent the determination of a Final Settlement Price in accordance with the Contract Specifications, or which may render a Final Settlement Price unrepresentative of the price of the underlying metal in the Metal Futures Contract at the close of trading hours on the Last Trading Day, the Chief Executive, after consultation with the Commission, may either on his own or in conjunction with the Clearing House take such steps as he deems appropriate to enable the Final Settlement Price to be determined.

## **CASH SETTLEMENT**

013 Trading in Cash Settled Metal Futures Contracts shall be conducted in and confined to Exchange Contracts for the delivery, by cash settlement on the Final Settlement Day, of an amount in the Settlement Currency, equal to the difference between the Cash

Settlement Value and the Contracted Value of such Cash Settled Metal Futures Contracts.

- 014 (a) The obligations of the Buyer and the Seller under a Cash Settled Metal Futures Contract are as follows:-
- (i) If the Contracted Value is less than the Cash Settlement Value, the Seller shall be liable to pay to the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
  - (ii) If the Contracted Value is greater than the Cash Settlement Value, the Buyer shall be liable to pay to the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
- (b) The rights of the Buyer and the Seller under a Cash Settled Metal Futures Contract are as follows:-
- (i) If the Contracted Value is less than the Cash Settlement Value, the Buyer shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
  - (ii) If the Contracted Value is greater than the Cash Settlement Value, the Seller shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
- 015 The obligations and rights of the Buyer and the Seller of a Cash Settled Metal Futures Contract shall be satisfied by cash settlement of an amount, in the Settlement Currency, by or with the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

## **PHYSICAL DELIVERY**

- 016 Trading in Physically Settled Metal Futures Contracts shall be conducted in and confined to Exchange Contracts for the delivery by the Seller of the Deliverable Metal and the payment by the Buyer of the Final Settlement Value on the Final Settlement Day.
- 017 After trading ceases on the Last Trading Day, open positions of Buyers in a Physically Settled Metal Futures Contract will be allocated to open positions of Sellers pursuant to a matching process in accordance with the Clearing House Rules. Subject to Regulation 018 below, each relevant F/O Contract of a Buyer and each relevant F/O Contract of a Seller registered with and novated to the Clearing House under the Clearing House Rules shall be novated and substituted with a Re-novated Contract which shall arise between the matched Buyer and the corresponding matched Seller in accordance with the Clearing House Rules. The creation of the Re-novated Contract shall simultaneously discharge and replace all rights and obligations between the Clearing House and the Buyer or Seller in respect of the F/O Contracts to which the re-novation relates. The Clearing House shall be fully and finally discharged and released from all its obligations as a central counterparty in respect of such contracts and the Re-novated Contract shall be settled between the matched Buyer and the corresponding matched

Seller.

- 018 Notwithstanding Regulations 016 and 017 above, if a Seller or a Buyer under a Physically Settled Metal Futures Contract is a Non-delivery HKCC Participant, and that Non-delivery HKCC Participant fails to close out or transfer its open position in that Physically Settled Metal Futures Contract before the System Input Cutoff Time of the Last Trading Day in respect of that Physically Settled Metal Futures Contract as required by Rule 606A of the Clearing House Rules, the open position of that Non-delivery HKCC Participant in that Physically Settled Metal Futures Contract will be included in the matching process referred to in the first sentence of Regulation 017 above. If, pursuant to such matching process, the open position of that Non-delivery HKCC Participant is allocated to the open position of any other HKCC Participant, Contract Re-novation in respect of the relevant F/O Contract(s) of that Non-delivery HKCC Participant and the HKCC Participant whose open positions have been allocated to each other shall not take place. In such circumstances, the delivery and payment obligations of the Clearing House under each F/O Contract with the Non-delivery HKCC Participant and the HKCC Participant whose open positions have been allocated to each other may be settled in cash as provided in section 2A.3.3 of the Clearing House Procedures and such payment shall constitute full and final settlement of the Clearing House's obligations under the relevant F/O Contract.
- 018A Exchange Participants shall have fair and transparent written procedures in place which disclose to their Clients how they intend to settle Client positions following the matching process referred to in Rule 017 above. In formulating such written procedures, the Exchange Participants shall make reference to the matching process set out in the Clearing House Rules and guidelines prescribed by the Exchange from time to time.
- 019 The obligations and rights of the Buyer and the Seller under a Physically Settled Metal Futures Contract (other than under a Physically Settled Metal Futures Contract in respect of which Contract Re-novation does not take place) shall be satisfied by delivery of the Deliverable Metal to the Buyer by the Seller and payment of the Final Settlement Value to the Clearing House by the Buyer and the release of such Final Settlement Value to the Seller on the Final Settlement Day in accordance with the Clearing House Rules.
- 020 Each Seller under a Physically Settled Metal Futures Contract (other than under a Physically Settled Metal Futures Contract in respect of which Contract Re-novation does not take place) makes the following warranties to the Buyer at the time that Contract Re-novation in relation to that Physically Settled Metal Futures Contract takes place (collectively, the "**Delivery Warranties**"):
- (a) it has good title to the Deliverable Metal that it delivers, and which is earmarked for delivery, under each Re-novated Contract, and such Deliverable Metal is, and will at the time of delivery to the Buyer be, free and clear from any encumbrance, lien, claim, mortgage, charge, security interest or any other interest of any nature whatsoever save for any liens or any rights as bailee of any Approved Depository in respect of such Deliverable Metal arising pursuant to the terms of any Approved Depository Account Agreement between an HKCC Participant and an Approved Depository;
  - (b) the Deliverable Metal that is earmarked for delivery and which it delivers under each Re-novated Contract complies in all respects with the applicable

Contract Specifications, the Clearing House Procedures, the Clearing House Rules and the Exchange Rules, including, without limitation, that such Deliverable Metal is of the prescribed weight, quality and fineness as specified in the Contract Specifications and is in the amount in aggregate, in respect of each Re-novated Contract, specified in the relevant Delivery Notice; and

- (c) all information provided by the Seller or its Delivery Agent to the Clearing House under section 2A of the Clearing House Procedures in connection with the delivery by the Seller or its Delivery Agent of Deliverable Metal, including all information contained in any Delivery Notice, is true, accurate and complete in all respects.

- 021 In respect of Physically Settled Metal Futures Contract (other than a Physically Settled Metal Futures Contract in respect of which Contract Re-novation does not take place), notwithstanding any other provision of these Rules or the Clearing House Rules, the Exchange makes no representation or warranty as to, and is under no obligation to investigate or verify that, any Deliverable Metal complies with the terms of these Rules, the Clearing House Rules, or any Re-novated Contract, including that such metal complies with the Delivery Warranties. The Exchange shall have no liability to any person of any nature whatsoever in connection with any dispute or claim relating to the delivery (or non-delivery) of Deliverable Metal, or that Deliverable Metal does not comply with the Delivery Warranties, these Rules, the Clearing House Rules or the terms of a Re-novated Contract.

#### **SETTLEMENT CURRENCY AND CONVERSION RATES**

- 022 Where the amount required to be settled by an Exchange Participant is not in the same currency as the Settlement Currency, it shall be converted to the Settlement Currency equivalent. The conversion rate to be applied shall be determined by the Clearing House in accordance with the Contract Specifications.
- 023 The Clearing House will promptly announce these rates after they are determined. Exchange Participants must use these rates for conversions at the Client account level.

#### **REGISTRATION**

- 024 All Exchange Participants trading in Metal Futures Contracts shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing, and where applicable, the re-novation of Metal Futures Contracts.

#### **MARGIN AND VARIATION ADJUSTMENTS**

- 025 Clearing House margin, additional margin and variation adjustments shall be set, collected or distributed in respect of Metal Futures Contracts in accordance with the Rules.

#### **COMMISSION AND LEVIES**

- 026 (a) The rate of commission for each Metal Futures Contract shall be negotiable between an Exchange Participant and its Client.
- (b) Trading of Metal Futures Contracts shall be subject to an Exchange Fee which shall become immediately payable to the Exchange upon registration of each Contract with the Clearing House. The Exchange Fee shall be paid to the Exchange through the Clearing House and shall be set by the Board from time to time.
- (c) Any levies required to be paid pursuant to the Ordinance in consequence of trading in Metal Futures Contracts shall be paid to the Exchange through the Clearing House in such manner as the Exchange shall, in consultation with the Commission, prescribe from time to time.

### **NON-COMPLIANCE**

- 027 An Exchange Participant which does not comply with these Regulations, the Rules and the applicable Procedures in any respect (including, without limitation, cash settlement with the Clearing House or delivery of the Deliverable Metal or payment of the Final Settlement Value on the Final Settlement Day) shall be liable to disciplinary proceedings under the Exchange Rules.

### **LARGE OPEN POSITION**

- 028 (a) The Board shall specify Large Open Positions in the Contract Specifications as provided for in the Exchange Rules.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated HKEX staff as required by the Rules and the applicable Procedures.

### **POSITION LIMITS**

- 029 (a) The Chief Executive may impose Position Limits on Exchange Participants and their Clients as provided for in the Rules and such Position Limits shall be specified in the Contract Specifications.
- (b) Subject to Rules 629(e) and 630(e), the Chief Executive may, on a case-by-case basis, increase, decrease or remove the Position Limits imposed pursuant to the Rules by giving notice in writing to the Clearing House, the Exchange Participant and the Commission.
- (c) The Chief Executive shall not be required to give any reasons for his decision to increase, decrease or remove the Position Limits pursuant to the Rules.
- (d) Failure to comply with the Position Limits is governed by the Rules.

*Note: The Commission may also impose contract limits under the Ordinance.*



## **LIQUIDITY PROVISION**

- 030 Notwithstanding anything contained in the Rules, the Exchange may from time to time, in its absolute discretion, appoint Exchange Participants to provide liquidity for Metal Futures Contracts in the Metal Futures Market at any time and on such terms and conditions as the parties may agree. For the avoidance of doubt, the terms and conditions of any appointment, including the liquidity providing activities, the liquidity providing arrangements, the liquidity providing requirements, the Exchange Fee concessions and/or other incentives upon meeting the liquidity providing requirements, are subject to negotiation between the Exchange and the relevant Exchange Participant and may therefore vary among different appointments of different Exchange Participants.

## **MAXIMUM FLUCTUATION**

- 031 The Chief Executive, after consultation with the Commission and the Exchange Board, may from time to time, specify a Maximum Fluctuation. Whenever a Maximum Fluctuation has been specified, trading can only occur at prices within the limit of the Closing Quotation from the last trading session or a reference price specified by the Exchange, plus or minus the Maximum Fluctuation.

## **CERTIFICATION AND SHIPMENT OF DELIVERABLE METALS**

- 032 All Deliverable Metals must be certified as to quality and weight by a Recognized Refiner and must be accompanied by documentation issued by the HKCC Participant or its Recognized Forwarder evidencing that the Deliverable Metals have been shipped or otherwise transported to an Approved Depository by a Recognized Forwarder from another Approved Depository, a Recognized Assayer, Recognized Refiner or a Recognized Depository.

Deliverable Metals shall be placed into an Approved Depository accompanied by the information required by the Exchange and communicated to Exchange Participants and the Approved Depository.

# TRADING PROCEDURES FOR METAL FUTURES TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE (“HKATS”)

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These procedures shall be read in conjunction with and shall form part of the Exchange Rules. Unless otherwise indicated, the terms used herein shall have the same meanings as contained in the Exchange Rules and/or the Clearing House Rules.

## **CHAPTER 1**

### **TRADING**

#### 1.1 *Method of Trading*

Trading in Metal Futures Contracts shall be conducted exclusively through the Automated Trading System of the Exchange (“HKATS”) in accordance with the Exchange Rules, the Clearing House Rules, applicable Regulations, Contract Specifications and Procedures, the Clearing House Procedures and the HKATS User’s Guide.

## **CHAPTER 2**

### **ELIGIBILITY TO TRADE METAL FUTURES CONTRACTS**

#### **2.1 *Metal Futures Trading Privileges***

An Exchange Participant must be approved by and registered with the Exchange to trade through HKATS.

An Exchange Participant must be approved by the Exchange to trade Metal Futures Contracts through HKATS.

To be approved to trade Metal Futures Contracts an Exchange Participant shall have at least one (1) HKATS Exchange Participant Representative who is registered with the Exchange to trade Metal Futures Contracts.

To be approved to trade Physically Settled Metal Futures Contracts, an Exchange Participant shall either (a) be a Clearing Participant who is entitled to record, register and clear Contracts in Physically Settled Metal Futures Contracts under the Clearing House Rules, or (b) have entered into a Clearing Agreement with a General Clearing Participant who is entitled to record, register and clear Contracts in Physically Settled Metal Futures Contracts under the Clearing House Rules.

#### **2.2 *Training Required for Registration as an HKATS Exchange Participant Representative for Metal Futures Contracts***

The Exchange offers the training course “HKATS Rules & Procedures” for persons applying to become registered as HKATS Exchange Participant Representatives for Metal Futures Contracts.

## CHAPTER 3

### DEALING FUNCTIONALITY

#### 3.1 *Order Entry*

An Order in a Metal Futures Contract may be entered into HKATS only during the trading hours and, where applicable, the pre-opening session (in respect of Limit Orders and Auction Orders) and the pre-open allocation session (in respect of Auction Orders only) of the Pre-Market Opening Period for the Metal Futures Contract.

#### 3.2 *Automatic Cancellation of an Order due to Suspension of Trading or Site Failure*

An Order resident on the Central Orderbook for a Metal Futures Contract will be canceled upon the suspension of trading in that Metal Futures Contract.

Notification of a suspension of trading in a Metal Futures Contract will be made on the HKATS Market Message display window.

Notification of the resumption of trading in a suspended Metal Futures Contract will be made on the HKATS Market Message display window not less than ten (10) minutes, or such shorter period as the Chief Executive may determine, prior to the resumption of trading in that Metal Futures Contract.

An Order automatically canceled due to the suspension of trading in a Metal Futures Contract may be re-entered into HKATS upon the resumption of trading in that Metal Futures Contract.

In the event of a system failure at an Exchange Participant's site, the Exchange Participant shall contact the Exchange at the HKATS hotline listed in the HKATS User's Guide and advise the Exchange if it wishes to have all its outstanding Orders canceled or remain activated. An Order of an Exchange Participant resident on the Central Orderbook will be inactivated 10 minutes after the occurrence of a system failure at the Exchange Participant's site unless the Exchange Participant has requested the Exchange to keep the Order activated within 10 minutes of the site failure. The Exchange shall not be liable to an Exchange Participant for canceling or keeping activated any Order of the Exchange Participant at its instructions or purported instructions.

An Exchange Participant affected by a system failure at its site may arrange with other Exchange Participants to handle new Orders and subsequently reallocate resulting trades to the corresponding accounts through external allocation according to the Clearing House Rules.

#### 3.3 *Order Amendments and Cancellations*

An Order in a Metal Futures Contract entered into the Central Orderbook on behalf of a Client or the Exchange Participant and designated a particular Order number may be amended or canceled provided that the amendment or cancellation is made in compliance with the instructions of that Client or the Exchange Participant, as the case may be, in respect of that particular Order.

Exchange Participants may amend, cancel or inactivate Orders resident in the Central Orderbook (“Valid Orders”) only during trading hours and the period of 30 minutes before the opening of each trading session if the Pre-Market Opening Period is not applicable or the pre-opening session of the Pre-Market Opening Period if the Pre-Market Opening Period applies.

A Valid Order that is amended in connection with a reduction in size, a change in the duration of validity, or modification of optional (“free”) text information shall not affect the time priority of the original Valid Order.

A Valid Order that is amended in connection with price or an increase in size: (i) will result in the loss of time priority of the original Valid Order if the amendment is made during trading hours; and (ii) will result in the loss of time priority of the original Valid Order if the amendment is made during the Pre-Market Opening Period (where the Pre-Market Opening Period is applicable). Amendment in connection with price or an increase in size of a Valid Order is not allowed during the 30 minute period before the opening of a trading session (where the Pre-Market Opening Period is not applicable).

#### 3.4 *Execution of Standard Combinations*

3.4.1 In the event an Order for a spread or strategy combination listed in the “Series/Combinations” window of HKATS (“standard combination”) involving Metal Futures Contracts is entered into HKATS, HKATS will automatically generate derived Orders (“Bait Orders”) based on the prevailing market price of each individual market series comprising the standard combination and the price of the Order for the standard combination. Prices of these Bait Orders will be automatically adjusted according to price movement in the individual market series comprising the standard combination.

3.4.2 The ranking of Bait Orders shall be in accordance with the time the Bait Orders are generated. A Bait Order whose price is automatically adjusted according to the price movement and/or increase in quantity of the individual market series comprising the standard combination shall be treated as if the Bait Order were newly generated.

3.4.3 In the event an Order for a standard combination is executed separately as Bait Orders in the individual market series, each Metal Futures Contract comprising the standard combination will be matched at the prevailing market price of the individual market series. Any matched Contracts will be recorded in HKATS as separate trades in the individual market series.

3.4.4 In the event an Order for a standard combination is executed in the standard combination market and not as Bait Orders in the individual market series, the executed price of the standard combination may not necessarily correspond with the prevailing market prices of the Metal Futures Contracts comprising the standard combination. The matched standard combination will be recorded in HKATS as separate trades in the individual market series.

#### 3.5 *(deleted)*

3.6 *(deleted)*

3.7 *Pre-Market Opening*

3.7.1 The pre-market opening algorithm of HKATS shall apply to such Metal Futures Contract(s) as the Exchange may from time to time notify to Exchange Participants.

3.7.2 The Pre-Market Opening Period shall comprise (i) the pre-opening session; (ii) the pre-open allocation session; and (iii) the open allocation session, the duration of which may be changed by the Exchange and notified to Exchange Participants from time to time at its discretion.

3.7.3 During the pre-opening session, Limit Orders and Auction Orders may be entered into HKATS and may be amended or canceled subject to the provisions of procedure 3.3. During the pre-open allocation session, only Auction Orders may be entered into HKATS. No Orders may be amended or canceled during the pre-open allocation session. During the open allocation session, no Orders may be entered into HKATS and no Orders may be amended or canceled. The Calculated Opening Price (COP), if any, will be calculated, and Orders will be matched subject to Rule 1215 or converted into Limit Orders or inactive Orders in accordance with the procedures set forth below during the open allocation session.

3.7.4 A COP will be calculated only if the highest bid price of the Limit Orders entered into HKATS is greater than or equal to the lowest ask price of the Limit Orders. If more than one price satisfies this criterion, the COP shall be calculated according to the following rules:

3.7.4.1 The COP shall be one of the bid or offer prices falling at or within the highest bid price and the lowest ask price of the Limit Orders;

3.7.4.2 The COP shall be the price at which the number of contracts matched would be maximized;

3.7.4.3 If more than one price satisfies the rule in procedure 3.7.4.2, the COP shall be the price at which the normal order imbalance is the lowest. For the purposes of this procedure, normal order imbalance is defined as the difference between the number of bid contracts and the number of ask contracts that can be matched at a certain price;

3.7.4.4 If more than one price satisfies the rule in procedure 3.7.4.3, the COP shall be the price at which (i) the aggregate number of contracts comprising the bid Auction Orders and bid Limit Orders at or above that price or (ii) the aggregate number of contracts comprising the ask Auction Orders and ask Limit Orders at or below that price would be the highest;

3.7.4.5 If more than one price satisfies the rule in procedure 3.7.4.4, (i) the COP in the case of the morning trading session shall be the price closest to the previous Closing Quotation (as defined in the

Clearing House Rules) of the relevant Metal Futures Contract and (ii) the COP in the case of the afternoon trading session shall be the price closest to the last traded price if the relevant Metal Futures Contract was traded in the immediately preceding morning trading session or if there was no trading in the immediately preceding morning trading session, the rule in this procedure 3.7.4.5 shall be disregarded and the calculation of the COP shall proceed in accordance with the rule set forth in procedure 3.7.4.6;

3.7.4.6 If more than one price satisfies the rule in procedure 3.7.4.5, the COP shall be the highest of such prices.

3.7.5 If a COP is calculated, Auction Orders and Limit Orders with ask prices at or below, or bid prices at or above, such determined COP shall be matched at the COP to the extent possible and any unmatched Auction Order shall be converted into a Limit Order with a bid or ask price equal to the COP immediately before Market open. The ranking of such converted Auction Orders and Limit Orders at the COP shall be in accordance with the time the converted Auction Orders and Limit Orders were originally entered into HKATS.

3.7.6 If no COP can be calculated according to procedure 3.7.4 but bid and ask prices exist, all bid Auction Orders will be converted immediately before Market open into bid Limit Orders at the highest bid price and all ask Auction Orders will be converted immediately before Market open into ask Limit Orders at the lowest ask price of the Limit Orders entered into HKATS. The ranking of such converted Auction Orders and Limit Orders with the highest bid price or lowest ask price, as the case may be, shall be in accordance with the time the Auction Orders and Limit Orders were originally entered into HKATS.

3.7.7 If no COP can be calculated according to procedure 3.7.4 and no bid price or ask price exists, all bid Auction Orders (if no bid price exists) and all ask Auction Orders (if no ask price exists) will be converted into inactive Orders immediately before Market open.

3.7.8 The conduct of the Pre-Market Opening Period shall be under the surveillance of designated HKATS Officials. A designated HKATS Official may cancel any Order entered into HKATS during the Pre-Market Opening Period which in his opinion is a manifest error and which would disproportionately affect the Calculated Opening Price.

### 3.8 *Creation, Execution and Deletion of Tailor-Made Combinations*

3.8.1 Exchange Participants can define and create a Tailor-Made Combination involving such Metal Futures Contracts and during such trading sessions as the Exchange may from time to time notify Exchange Participants using the tailor-made combination function of HKATS. Once created, a Tailor-Made Combination can be traded like a normal market series.

3.8.2 Exchange Participants shall ensure that the following criteria are satisfied



when creating a Tailor-Made Combination:

- the Tailor-Made Combination is one of the strategy combinations prescribed by the Exchange;
- the number of futures contract month (“legs”) comprising the strategy is within the range prescribed by the Exchange;
- the ratio between these legs is within the range prescribed by the Exchange;
- the contract sizes of these legs must be identical;
- the Tailor-Made Combination is not at that time prescribed as a standard combination; and
- an active Order is submitted at the same time as the creation of the Tailor-Made Combination.

3.8.3 Tailor-Made Combinations created on a Trading Day will not be carried forward to the next Trading Day.

3.8.4 The executed price of a trade in a Tailor-Made Combination may not necessarily correspond with the prevailing market prices of the Metal Futures Contracts comprising the Tailor-Made Combination. The matched trade in the Tailor-Made Combination will be recorded in HKATS as separate trades in the individual market series.

3.8.5 The Exchange may from time to time prescribe a maximum number of Tailor-Made Combinations that can be listed on HKATS on a Trading Day and a throughput rate for each HKATS connection to create Tailor-Made Combinations to protect the integrity of HKATS and to ensure the proper operation of the Markets.

3.8.6 The Exchange may at any time at its sole discretion limit the number of Tailor-Made Combinations an Exchange Participant may create on a Trading Day by notice to the Exchange Participant.

3.8.7 The Exchange reserves the right to delete any Tailor-Made Combination listed on HKATS and cancel any Order for that Tailor-Made Combination at any time if:

- (i) the Tailor-Made Combination does not satisfy the criteria as prescribed in procedure 3.8.2;
- (ii) there is no active Order for the Tailor-Made Combination;
- (iii) the total number of Tailor-Made Combinations listed on HKATS exceeds the maximum number prescribed and notified to Exchange Participants by the Exchange from time to time;

- (iv) the Tailor-Made Combination is created by an Exchange Participant which has exceeded the limit imposed on it under procedure 3.8.6; or
- (v) the Exchange determines that the Tailor-Made Combination is inappropriate.

3.8.8 Any trade in a Tailor-Made Combination that is not created in accordance with the criteria as prescribed in procedure 3.8.2 will not be considered as a valid trade by the Exchange and, notwithstanding any provisions of the Exchange Rules or the Clearing House Rules, will not be registered or cleared by the Clearing House. In the event that an Exchange Participant has been notified by the Exchange that a Tailor-Made Combination trade is invalid on the Trading Day during which the Tailor-Made Combination trade is executed, the Exchange in conjunction with the Clearing House will, without being required to give further notice to the Exchange Participant, delete the invalid Tailor-Made Combination trade from HKATS and the “deal file” of the clearing system as if the Tailor-Made Combination trade had never been executed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange or the Clearing House directly or indirectly in connection with the deletion of any invalid Tailor-Made Combination trade.

## **CHAPTER 4**

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<p><b>Contract Specifications</b>  <b>For</b>  <b>Australian Dollar vs Renminbi (Hong Kong) (“AUD/CNH”) Futures</b></p>
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The following Contract Specifications shall apply to the AUD/CNH Futures Contract:

Contract Size	AUD 80,000
Contract Months	Spot month, the next calendar month and the next two calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per AUD (e.g. RMB 4.6942 per AUD)
Minimum Fluctuation	RMB 0.0001 (4 decimal places)
Maximum Fluctuation	As prescribed by the Exchange from time to time
Tick Value	RMB 8
Contracted Price	The price at which a AUD/CNH Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size (e.g. RMB 4.6942 x 80,000)
Trading Hours (Hong Kong time)	8:30 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session on the eve of New Year
Trading Hours on the Last Trading Day (Hong Kong time)	8:30 a.m. – 11:00 a.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limits	12,000 net contracts, in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and  12,000 net contracts, in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant’s own behalf; and  500 open contracts, in any one Contract Month, per Client

Settlement Method	Cash settled contract for difference	
Settlement Currency	RMB	
Final Settlement Day	The first Trading Day after the Last Trading Day	
Last Trading Day	Two Trading Days (each of which is also a Business Day) prior to the third (3rd) Wednesday of the Contract Month	
Final Settlement Price	The Final Settlement Price for AUD/CNH Futures Contracts shall be a number, rounded up to the nearest 4 decimal places if the figure in the fifth decimal place is 5 or above and rounded down to the nearest 4 decimal places if it is below 5, determined by the Clearing House and shall be the WMR Intraday Spot Rate for AUD/USD at 11:00 a.m. (Hong Kong time) multiplied by the USD/CNY(HK) Spot Rate published by the Hong Kong Treasury Markets Association at or around 11:30 a.m. (Hong Kong time) on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Currency Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee (per contract per side)	Exchange Fee	RMB 5.00
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Investor Compensation Levy is payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Commission Rate	Negotiable	

<p><b>Contract Specifications</b>  <b>For</b>  <b>Euro vs Renminbi (Hong Kong) (“EUR/CNH”) Futures</b></p>
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The following Contract Specifications shall apply to the EUR/CNH Futures Contract:

Contract Size	EUR 50,000
Contract Months	Spot month, the next calendar month and the next two calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per EUR (e.g. RMB 6.8028 per EUR)
Minimum Fluctuation	RMB 0.0001 (4 decimal places)
Maximum Fluctuation	As prescribed by the Exchange from time to time
Tick Value	RMB 5
Contracted Price	The price at which a EUR/CNH Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size (e.g. RMB 6.8028 x 50,000)
Trading Hours (Hong Kong time)	8:30 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session on the eve of New Year
Trading Hours on the Last Trading Day (Hong Kong time)	8:30 a.m. – 11:00 a.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limits	12,000 net contracts, in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and  12,000 net contracts, in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant’s own behalf; and  500 open contracts, in any one Contract Month, per Client

Settlement Method	Cash settled contract for difference	
Settlement Currency	RMB	
Final Settlement Day	The first Trading Day after the Last Trading Day	
Last Trading Day	Two Trading Days (each of which is also a Business Day) prior to the third (3rd) Wednesday of the Contract Month	
Final Settlement Price	The Final Settlement Price for EUR/CNH Futures Contracts shall be a number, rounded up to the nearest 4 decimal places if the figure in the fifth decimal place is 5 or above and rounded down to the nearest 4 decimal places if it is below 5, determined by the Clearing House and shall be the WMR Intraday Spot Rate for EUR/USD at 11:00 a.m. (Hong Kong time) multiplied by the USD/CNY(HK) Spot Rate published by the Hong Kong Treasury Markets Association at or around 11:30 a.m. (Hong Kong time) on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Currency Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee (per contract per side)	Exchange Fee	RMB 5.00
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Investor Compensation Levy is payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Commission Rate	Negotiable	

<p><b>Contract Specifications</b>  <b>For</b>  <b>Indian Rupee vs Renminbi (Hong Kong) (“INR/CNH”) Futures</b></p>
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The following Contract Specifications shall apply to the INR/CNH Futures Contract:

Contract Size	INR 2,000,000
Contract Months	Spot month, the next five calendar months and the next two calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB cents per 100 INR (e.g. 975.31 RMB cents per 100 INR)
Minimum Fluctuation	0.01 RMB cents (2 decimal places)
Maximum Fluctuation	As prescribed by the Exchange from time to time
Tick Value	RMB 2
Contracted Price	The price at which an INR/CNH Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price divided by 100 and multiplied by the Contract Size (e.g. 975.31 RMB cents/100 x 2,000,000)
Trading Hours (Hong Kong time)	8:30 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session on the eve of New Year
Trading Hours on the Last Trading Day (Hong Kong time)	8:30 a.m. – 3:00 p.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limit	30,000 net contracts, in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and  30,000 net contracts, in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant’s own behalf; and  500 open contracts, in any one Contract Month, per Client
Settlement Method	Cash settled contract for difference



Settlement Currency	RMB
Final Settlement Day	The first Trading Day after the Last Trading Day
Last Trading Day	Two Trading Days prior to the third Wednesday of the Contract Month. If it is not a Mumbai Business Day, the Last Trading Day shall be the immediately preceding Mumbai Business Day that is also a Trading Day
Final Settlement Price	The Final Settlement Price for INR/CNH Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House, and shall be the reciprocal of the Indian Rupee per USD (INR/1USD) reference rate published by Financial Benchmarks India Private Limited at 1:30 p.m. (Mumbai time) multiplied by 10,000 and the WMR Intraday Spot Rate for USD/CNH at 3:00 p.m. (Hong Kong time) on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Currency Futures Contracts to determine the Final Settlement Price under certain circumstances
Final Settlement Value	Final Settlement Price divided by 100 and multiplied by the Contract Size (e.g. 975.31 RMB cents /100 x 2,000,000)
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">RMB 2.50</span>  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Investor Compensation Levy is payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p><b>Contract Specifications</b>  <b>For</b>  <b>Japanese Yen vs Renminbi (Hong Kong) (“JPY/CNH”) Futures</b></p>
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The following Contract Specifications shall apply to the JPY/CNH Futures Contract:

Contract Size	JPY 6,000,000
Contract Months	Spot month, the next calendar month and the next two calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per 100 JPY (e.g. RMB 5.5923 per 100 JPY)
Minimum Fluctuation	RMB 0.0001 (4 decimal places)
Maximum Fluctuation	As prescribed by the Exchange from time to time
Tick Value	RMB 6
Contracted Price	The price at which a JPY/CNH Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price divided by 100 and multiplied by the Contract Size (e.g. RMB 5.5923 /100 x 6,000,000)
Trading Hours (Hong Kong time)	8:30 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)
	There is no after-hours trading session on the eve of New Year
Trading Hours on the Last Trading Day (Hong Kong time)	8:30 a.m. – 11:00 a.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limits	12,000 net contracts, in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and 12,000 net contracts, in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant’s own behalf; and 500 open contracts, in any one Contract Month, per Client

Settlement Method	Cash settled contract for difference
Settlement Currency	RMB
Final Settlement Day	The first Trading Day after the Last Trading Day
Last Trading Day	Two Trading Days (each of which is also a Business Day) prior to the third (3rd) Wednesday of the Contract Month
Final Settlement Price	The Final Settlement Price for JPY/CNH Futures Contracts shall be a number, rounded up to the nearest 4 decimal places if the figure in the fifth decimal place is 5 or above and rounded down to the nearest 4 decimal places if it is below 5, determined by the Clearing House and shall be the reciprocal of the WMR Intraday Spot Rate for USD/JPY at 11:00 a.m. (Hong Kong time) multiplied by 100 and the USD/CNY(HK) Spot Rate published by the Hong Kong Treasury Markets Association at or around 11:30 a.m. (Hong Kong time) on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Currency Futures Contracts to determine the Final Settlement Price under certain circumstances
Final Settlement Value	Final Settlement Price divided by 100 and multiplied by the Contract Size (e.g. RMB 5.5923 /100 x 6,000,000)
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">RMB 5.00</span>  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Investor Compensation Levy is payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p><b>Contract Specifications</b>  <b>For</b>  <b>US Dollar vs Renminbi (Hong Kong) (“USD/CNH”) Futures</b></p>
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The following Contract Specifications shall apply to the USD/CNH Futures Contract:

Contract Size	USD 100,000
Contract Months	Spot month, the next three calendar months and the next six calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per USD (e.g. RMB 6.2486 per USD)
Minimum Fluctuation	RMB 0.0001 (4 decimal places)
Maximum Fluctuation	As prescribed by the Exchange from time to time
Tick Value	RMB 10
Contracted Price	The price at which a USD/CNH Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size (e.g. RMB 6.2486 x 100,000)
Trading Hours (Hong Kong time)	8:30 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session on the eve of New Year
Trading Hours on the Last Trading Day (Hong Kong time)	8:30 a.m. – 11:00 a.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limits	Position delta for the USD/CNH Futures, Mini USD/CNH Futures, CNH/USD Futures and USD/CNH Options combined of 30,000 long or short, in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and  Position delta for the USD/CNH Futures, Mini USD/CNH Futures, CNH/USD Futures and USD/CNH Options combined of 30,000 long or short, in all Contract Months combined, per Client

For this purpose, the position delta equivalent of (i) a Mini USD/CNH Futures Contract to a USD/CNH Futures Contract and (ii) a CNH/USD Futures Contract to a USD/CNH Futures Contract shall be calculated as follows:

Position Delta	Equivalent Position Delta
One long Mini USD/CNH Futures Contract	0.2 of one long USD/CNH Futures Contract
One short Mini USD/CNH Futures Contract	0.2 of one short USD/CNH Futures Contract
One short CNH/USD Futures Contract	0.5 of one long USD/CNH Futures Contract
One long CNH/USD Futures Contract	-0.5 of one long USD/CNH Futures Contract

Position delta for the Spot Month USD/CNH Futures Contract and the Spot Month USD/CNH Options Contract combined during the five Trading Days up to and including the Last Trading Day shall not exceed 15,000 long or short

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Settlement Method	Delivery of US dollars by the Seller and payment of the Final Settlement Value in RMB by the Buyer in accordance with the mechanism and provisions set forth in the Regulations for trading Currency Futures Contracts and the Clearing House Rules
Final Settlement Value	Contract Size x Final Settlement Price
Final Settlement Day	The third (3rd) Wednesday of the Contract Month. If it is not a Business Day, the Final Settlement Day shall be the next Business Day
Last Trading Day	The Last Trading Day of a Contract shall be two Trading Days (each of which is also a Business Day) prior to the Final Settlement Day
Final Settlement Price	USD/CNY(HK) Spot Rate published by the Hong Kong Treasury Markets Association at or around 11:30 a.m. on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Currency Futures Contracts to determine the Final Settlement Price under certain circumstances
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">RMB 8.00</span>  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Investor Compensation Levy is payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p><b>Contract Specifications</b>  <b>For</b>  <b>Mini US Dollar vs Renminbi (Hong Kong) (“Mini USD/CNH”) Futures</b></p>
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The following Contract Specifications shall apply to the Mini USD/CNH Futures Contract:

Contract Size	USD 20,000
Contract Months	Spot month, the next three calendar months and the next six calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per USD (e.g. RMB 6.2486 per USD)
Minimum Fluctuation	RMB 0.0001 (4 decimal places)
Maximum Fluctuation	As prescribed by the Exchange from time to time
Tick Value	RMB 2
Contracted Price	The price at which a Mini USD/CNH Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size (e.g. RMB 6.2486 x 20,000)
Trading Hours (Hong Kong time)	8:30 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)
	There is no after-hours trading session on the eve of New Year
Trading Hours on the Last Trading Day (Hong Kong time)	8:30 a.m. – 11:00 a.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limits	Position delta for the USD/CNH Futures, Mini USD/CNH Futures, CNH/USD Futures and USD/CNH Options combined of 30,000 long or short, in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and  Position delta for the USD/CNH Futures, Mini USD/CNH Futures, CNH/USD Futures and USD/CNH Options combined of 30,000 long or short, in all Contract Months combined, per Client

For this purpose, the position delta equivalent of (i) a Mini USD/CNH Futures Contract to a USD/CNH Futures Contract and (ii) a CNH/USD Futures Contract to a USD/CNH Futures Contract shall be calculated as follows:

Position Delta	Equivalent Position Delta
One long Mini USD/CNH Futures Contract	0.2 of one long USD/CNH Futures Contract
One short Mini USD/CNH Futures Contract	0.2 of one short USD/CNH Futures Contract
One short CNH/USD Futures Contract	0.5 of one long USD/CNH Futures Contract
One long CNH/USD Futures Contract	-0.5 of one long USD/CNH Futures Contract

Large Open Positions	2,500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  2,500 open contracts, in any one Contract Month, per Client
Settlement Method	Cash settled contract for difference
Settlement Currency	RMB
Final Settlement Day	The first Trading Day after the Last Trading Day
Last Trading Day	Two Trading Days (each of which is also a Business Day) prior to the third (3rd) Wednesday of the Contract Month
Final Settlement Price	USD/CNY(HK) Spot Rate published by the Hong Kong Treasury Markets Association at or around 11:30 a.m. on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Currency Futures Contracts to determine the Final Settlement Price under certain circumstances
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">RMB 1.60</span>  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Investor Compensation Levy is payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p><b>Contract Specifications</b>  <b>For</b>  <b>Renminbi (Hong Kong) vs US Dollar (“CNH/USD”) Futures</b></p>
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The following Contract Specifications shall apply to the CNH/USD Futures Contract:

Contract Size	RMB 300,000
Contract Months	Spot month, the next three calendar months and the next six calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	USD per 10 RMB (e.g. USD 1.5288 per 10 RMB)
Minimum Fluctuation	USD 0.0001 (4 decimal places)
Maximum Fluctuation	As prescribed by the Exchange from time to time
Tick Value	USD 3
Contracted Price	The price at which a CNH/USD Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price divided by 10 and multiplied by the Contract Size (e.g. USD 1.5288/10 x 300,000)
Trading Hours (Hong Kong time)	8:30 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)
	There is no after-hours trading session on the eve of New Year
Trading Hours on the Last Trading Day (Hong Kong time)	8:30 a.m. – 11:00 a.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limits	Position delta for the USD/CNH Futures, Mini USD/CNH Futures, CNH/USD Futures and USD/CNH Options combined of 30,000 long or short, in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and  Position delta for the USD/CNH Futures, Mini USD/CNH Futures, CNH/USD Futures and USD/CNH Options combined of 30,000 long or short, in all Contract Months combined, per Client  For this purpose, the position delta equivalent of (i) a Mini USD/CNH Futures Contract to a USD/CNH Futures Contract and



(ii) a USD/CNH Futures Contract to a CNH/USD Futures Contract shall be calculated as follows:

Position Delta	Equivalent Position Delta
One long Mini USD/CNH Futures Contract	0.2 of one long USD/CNH Futures Contract
One short Mini USD/CNH Futures Contract	0.2 of one short USD/CNH Futures Contract
One short CNH/USD Futures Contract	0.5 of one long USD/CNH Futures Contract
One long CNH/USD Futures Contract	-0.5 of one long USD/CNH Futures Contract

The position for CNH/USD Futures Contract shall not at any time exceed 16,000 net long or short contracts in all Contract Months combined

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Settlement Method	Cash settled contract for difference
Settlement Currency	USD
Final Settlement Day	The first Trading Day after the Last Trading Day
Last Trading Day	Two Trading Days (each of which is also a Business Day) prior to the third (3rd) Wednesday of the Contract Month
Final Settlement Price	The Final Settlement Price for CNH/USD Futures Contracts shall be a number, rounded up to the nearest 4 decimal places if the figure in the fifth decimal place is 5 or above and rounded down to the nearest 4 decimal places if it is below 5, determined by the Clearing House and shall be the reciprocal of USD/CNY(HK) Spot Rate published by the Hong Kong Treasury Markets Association at or around 11:30 a.m. multiplied by 10 on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Currency Futures Contracts to determine the Final Settlement Price under certain circumstances
Final Settlement Value	Final Settlement Price divided by 10 and multiplied by the Contract Size (e.g. USD 1.5288/10 x 300,000)
Trading Fee (per contract per side)	Exchange Fee USD 0.60  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Investor Compensation Levy is payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

<p><b>Contract Specifications</b>  <b>For</b>  <b>Indian Rupee vs US Dollar (“INR/USD”) Futures</b></p>
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The following Contract Specifications shall apply to the INR/USD Futures Contract:

Contract Size	INR 2,000,000
Contract Months	Spot month, the next five calendar months and the next two calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	US cents per 100 INR (e.g. 155.44 US cents per 100 INR)
Minimum Fluctuation	0.01 US cents (2 decimal places)
Maximum Fluctuation	As prescribed by the Exchange from time to time
Tick Value	USD 2
Contracted Price	The price at which an INR/USD Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price divided by 100 and multiplied by the Contract Size (e.g. 155.44 US cents /100 x 2,000,000)
Trading Hours (Hong Kong time)	8:30 a.m. – 6:30 p.m. (day trading session) 7:15 p.m. – 3:00 a.m. (after-hours trading session)  There is no after-hours trading session on the eve of New Year
Trading Hours on the Last Trading Day (Hong Kong time)	8:30 a.m. – 3:00 p.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limits	30,000 net contracts, in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and  30,000 net contracts, in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant’s own behalf; and  500 open contracts, in any one Contract Month, per Client
Settlement Method	Cash settled contract for difference

Settlement Currency	USD
Final Settlement Day	The first Trading Day after the Last Trading Day
Last Trading Day	Two Mumbai Business Days prior to the Last Mumbai Business Day of the Contract Month. If it is not a Trading Day, the Last Trading Day shall be the immediately preceding Mumbai Business Day that is also a Trading Day
Final Settlement Price	The Final Settlement Price for INR/USD Futures Contracts shall be a number, rounded up to the nearest 2 decimal places, if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House, and shall be the reciprocal of the Indian Rupee per USD (INR/1USD) reference rate published by Financial Benchmarks India Private Limited at 1:30 p.m. (Mumbai time) on the Last Trading Day multiplied by 10,000. The Chief Executive of the Exchange has the power under the Regulations for trading Currency Futures Contracts to determine the Final Settlement Price under certain circumstances
Final Settlement Value	Final Settlement Price divided by 100 and multiplied by the Contract Size (e.g. 155.44 US cents /100 x 2,000,000)
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">USD 0.60</span>  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Investor Compensation Levy is payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

## REGULATIONS FOR TRADING CURRENCY FUTURES CONTRACTS

### INTERPRETATION

- 001 These Regulations may be cited as the Regulations for trading Currency Futures Contracts (hereinafter referred to as the "Regulations").
- 002 The Exchange Rules and the Clearing House Rules (referred to collectively as the "Rules") including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

“Buyer”	an HKCC Participant registered as the buyer of a Currency Futures Contract pursuant to the Clearing House Rules;
“Contract Month”	in respect of any Currency Futures Contract, the month and year by which that contract is so designated by the Board for settlement under these Regulations and in which settlement of that contract must be made in accordance with these Regulations;
“Contract Size”	for any Currency Futures Contract, the size so designated in the applicable Contract Specifications;
“Contract Specifications”	those terms and conditions of a Currency Futures Contract as from time to time specified by the Board pursuant to Regulations 003 – 004;
“Contracted Price”	the price at which a Currency Futures Contract is registered by the Clearing House or, if different, the price as specified in the Contract Specification;
“Contracted Value”	the Contracted Price multiplied by the Contract Size;
“Currency Futures Contract”	an Exchange Contract subject to these Regulations;
“Currency Futures Market”	a Market subject to these Regulations;
“Final Settlement Day”	the day on which a Currency Futures Contract must be settled as specified in the

	Contract Specifications;
“Final Settlement Price”	the price as determined by the Clearing House pursuant to Regulation 011 or the Chief Executive pursuant to Regulation 012;
“Final Settlement Value”	the Final Settlement Price multiplied by the Contract Size or, if different, the price as specified in the Contract Specification;
"HKATS"	the Exchange's automated trading system, as defined in the Rules;
"Large Open Position"	the number of open Exchange Contracts determined by the Board to be a Large Open Position pursuant to Rule 628 of the Exchange Rules;
“Last Trading Day”	the last day of trading for a Currency Futures Contract as specified in the Contract Specifications;
“Maximum Fluctuation”	the maximum allowable movement in the price of any Currency Futures Contract per trading session above or below the last Closing Quotation or such reference price as may be specified by the Exchange from time to time;
“Minimum Fluctuation”	the minimum allowable movement in the price of any Currency Futures Contract as specified in the Contract Specifications;
“Mumbai Business Day”	means any day (other than a Saturday, Sunday or public holiday in Mumbai, India) during which banks in Mumbai, India, are open for business;
“Seller”	an HKCC Participant registered as the seller of a Currency Futures Contract pursuant to the Clearing House Rules;
"Settlement Currency"	(a) in respect of any Currency Futures Contract which is a cash settled contract for difference, the currency in which the Currency Futures Contract shall be settled, as specified in the Contract Specifications; and (b) in respect of any Currency Futures Contract which is a Physical Delivery Contract:
	(i) in the case of the Buyer, the Settlement Currency shall be the

currency in which the Currency Futures Contract shall be settled by the Buyer; and

- (ii) in the case of the Seller, the Settlement Currency for final settlement shall be the currency underlying the Currency Futures Contract which shall be delivered by the Seller and the Settlement Currency for payment of Clearing House margin, variation adjustment and any other form of margin or fees which may be imposed by the Clearing House or the Exchange shall be the currency in which the Currency Futures Contract is traded;

“Spot Month”

in a given month: (i) on day(s) prior to and on the Last Trading Day of that month, a Spot Month Currency Futures Contract refers to a Currency Futures Contract traded on such days that has a Last Trading Day in that same given month; and (ii) on the day after the Last Trading Day of that month, a Spot Month Currency Futures Contract refers to a Currency Futures Contract traded on such a day that has a Last Trading Day in the immediately following month;

“Tick Value”

the value of the Minimum Fluctuation multiplied by the Contract Size or, if different, the value as specified in the Contract Specification;

“Trading Hours”

such period or periods, approved by the Board, within a Trading Day in which trading in any or all Currency Futures Contracts occurs, as specified in the Contract Specifications; and

“Underlying Currency”

in respect of any Currency Futures Contract which is a Physical Delivery Contract, the currency underlying the Currency Futures Contract which shall be delivered by the Seller.

## **CONTRACT SPECIFICATIONS**

003 The terms and conditions for each Currency Futures Contract shall include, among other things:

- (a) Commission Rate;

- (b) Contract Months;
- (c) Contract Size;
- (d) Contracted Price;
- (e) Final Settlement Day;
- (f) Final Settlement Price;
- (g) Final Settlement Value;
- (h) Large Open Positions;
- (i) Last Trading Day;
- (j) Minimum Fluctuation;
- (k) Position Limits;
- (l) Price Quotation;
- (m) Settlement Currency;
- (n) Settlement Method;
- (o) Tick Value;
- (p) Trading Hours; and
- (q) Trading Method.

004 Contract Specifications for Currency Futures Contracts may be changed from time to time by the Board in consultation with the Commission. Exchange Participants shall be given notice of a change in the Contract Specifications prior to implementation of the change.

## **TRADING**

- 005 Bids and offers for Currency Futures Contracts shall be expressed in terms of a number in multiples of the Minimum Fluctuation. The Minimum Fluctuation shall be as prescribed in the Contract Specifications from time to time.
- 006 Trading in Currency Futures Contracts shall be carried out through HKATS in accordance with the Rules, these Regulations and the applicable Procedures.
- 007 The Currency Futures Market shall be open for trading in Currency Futures Contracts on every Trading Day subject to the Exchange Rules. Trading hours shall be as prescribed by the Board from time to time.
- 008 Subject to the Exchange Rules, trading in Currency Futures Contracts shall cease at the close of trading hours on the applicable Last Trading Day or at such other times as specified by the Board.
- 009 All disputes as to bids, offers, acceptances or withdrawals during trading sessions shall be governed by the Exchange Rules.

## **FINAL SETTLEMENT PRICE**

- 010 The Exchange shall, in conjunction with the Clearing House, announce the Final Settlement Price as soon as practicable after it has been determined.
- 011 Subject to Regulation 012, the Final Settlement Price of a Currency Futures Contract shall be determined by the Clearing House in accordance with the Contract Specifications.

- 012 If, in the opinion of the Chief Executive, circumstances are developing or have developed which are capable of preventing the calculation of a Final Settlement Price, or which may render a Final Settlement Price unrepresentative of the level of exchange rate of the underlying currency at the close of trading on the Last Trading Day, then the Chief Executive, after consultation with the Commission, may either on his own or in conjunction with the Clearing House take such steps as he deems appropriate to enable the Final Settlement Price to be determined.

## **SETTLEMENT**

- 013 Trading in Currency Futures Contracts which are cash settled contracts for difference shall be conducted in and confined to Exchange Contracts for the delivery, by cash settlement on the Final Settlement Day, of an amount in the Settlement Currency, equal to the difference between the Final Settlement Value and the Contracted Value of such Currency Futures Contracts.
- 014 (a) The obligations of the Buyer and the Seller under a Currency Futures Contract which is a cash settled contract for difference are as follows:-
- (i) If the Contracted Value is less than the Final Settlement Value, the Seller shall be liable to pay to the Clearing House the difference between that Contracted Value and the Final Settlement Value.
  - (ii) If the Contracted Value is greater than the Final Settlement Value, the Buyer shall be liable to pay to the Clearing House the difference between that Contracted Value and the Final Settlement Value.
- (b) The rights of the Buyer and the Seller under a Currency Futures Contract which is a cash settled contract for difference are as follows:-
- (i) If the Contracted Value is less than the Final Settlement Value, the Buyer shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Final Settlement Value.
  - (ii) If the Contracted Value is greater than the Final Settlement Value, the Seller shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Final Settlement Value.
- 015 The obligations and rights of the Buyer and the Seller of a Currency Futures Contract which is a cash settled contract for difference shall be satisfied by cash settlement of an amount, in the currency as specified in the Contract Specifications, by or with the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.
- 016 Trading in a Currency Futures Contract which is a Physical Delivery Contract shall be conducted in and confined to an Exchange Contract for the delivery by the Seller of the Underlying Currency and the payment by the Buyer of the Final Settlement Value in the Settlement Currency on the Final Settlement Day.
- 017 (a) The obligations of the Buyer and the Seller under a Currency Futures



Contract which is a Physical Delivery Contract are as follows:-

- (i) The Seller shall be liable to deliver to the Clearing House the Underlying Currency of the Currency Futures Contract according to the Contract Size.
  - (ii) The Buyer shall be liable to pay to the Clearing House the Final Settlement Value in the Settlement Currency.
- (b) The rights of the Buyer and the Seller under a Currency Futures Contract which is a Physical Delivery Contract are as follows:-
- (i) The Seller shall be entitled to receive from the Clearing House the Final Settlement Value in the Settlement Currency, which shall be the currency in which the Currency Futures Contract is traded.
  - (ii) The Buyer shall be entitled to receive the Underlying Currency of the Currency Futures Contract according to the Contract Size.

018 The obligations and rights of the Buyer and the Seller of a Currency Futures Contract which is a Physical Delivery Contract shall be satisfied by delivery of the Underlying Currency or payment of the Final Settlement Value to or by the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

## **SETTLEMENT CURRENCY AND CONVERSION RATES**

019 Where the currency in which a Currency Futures Contract is traded is different from the Settlement Currency, the amount required to be settled by an Exchange Participant on the Final Settlement Day shall, where applicable, be converted to the Settlement Currency equivalent. The conversion rate to be applied shall be determined by the Clearing House in accordance with the Contract Specifications. If the rate is unobtainable, or circumstances have arisen or are threatened which will prevent the determination of the conversion rate in accordance with the Contract Specifications, the Clearing House may, in its discretion, adjust or otherwise determine the conversion rate.

020 The Clearing House will promptly announce these rates after they are determined. Exchange Participants must use these rates for conversions at the Client account level.

## **REGISTRATION**

021 All Exchange Participants trading in Currency Futures Contracts shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing of Currency Futures Contracts.

## **MARGIN AND VARIATION ADJUSTMENTS**

022 Clearing House margin, additional margin and variation adjustments shall be set, collected or distributed in respect of Currency Futures Contracts in the

Settlement Currency in accordance with the Rules.

### **COMMISSION AND LEVIES**

- 023 (a) The rate of commission for each Currency Futures Contract shall be negotiable between an Exchange Participant and its Client.
- (b) Trading of Currency Futures Contracts shall be subject to an Exchange fee which shall become immediately payable to the Exchange upon registration of each Contract with the Clearing House. The Exchange fee shall be paid to the Exchange through the Clearing House and shall be set by the Board from time to time.
- (c) Any levies required to be paid pursuant to the Ordinance or the Contract Specifications in consequence of trading in Currency Futures Contracts shall be paid to the Exchange through the Clearing House in such manner as the Exchange shall, in consultation with the Commission, prescribe from time to time.

### **NON-COMPLIANCE**

- 024 An Exchange Participant which does not comply with these Regulations, the Rules and the applicable Procedures in any respect (including, without limitation, settlement with the Clearing House on the Final Settlement Day) shall be liable to disciplinary proceedings under the Exchange Rules.

### **LARGE OPEN POSITIONS**

- 025 (a) The Board shall specify Large Open Positions in the Contract Specifications as provided for in the Exchange Rules.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated Exchange staff as required by the Rules and the applicable Procedures.

### **POSITION LIMITS**

- 026 (a) The Chief Executive may impose Position Limits on Exchange Participants and their Clients as provided for in the Rules and such Position Limits shall be specified in the Contract Specifications.
- (b) Subject to Exchange Rules 629(e) and 630(e), the Chief Executive may, on a case-by-case basis, increase, decrease or remove the Position Limits imposed pursuant to the Rules by giving notice in writing to the Clearing House, the Exchange Participant and the Commission.
- (c) The Chief Executive shall not be required to give any reasons for his decision to increase, decrease or remove the Position Limits pursuant to the Rules.

- (d) Failure to comply with the Position Limits is governed by the Rules.
- (e) Subject to Exchange Rules 629(e) and 630(e), the Chief Executive may approve higher Position Limits for Market Makers.

*Note: The Commission may also impose contract limits under the Ordinance.*

#### **MAXIMUM FLUCTUATION**

- 027 The Chief Executive, after consultation with the Commission and the Exchange Board, may from time to time, specify a Maximum Fluctuation. Whenever a Maximum Fluctuation has been specified, trading can only occur at prices within the limit of the Closing Quotation from the last trading session or a reference price specified by the Exchange, plus or minus the Maximum Fluctuation.

#### **LIQUIDITY PROVISION**

- 028 Notwithstanding anything contained in the Rules, the Exchange may from time to time, in its absolute discretion, appoint Exchange Participants to provide liquidity for Currency Futures Contracts in the Currency Futures Market at any time and on such terms and conditions as the parties may agree. For the avoidance of doubt, the terms and conditions of any appointment, including the liquidity providing activities, the liquidity providing arrangements, the liquidity providing requirements, the Exchange Fee concessions and/or other incentives upon meeting the liquidity providing requirements, are subject to negotiation between the Exchange and the relevant Exchange Participant and may therefore vary among different appointments of different Exchange Participants.

<p><b>Contract Specifications</b>  <b>For</b>  <b>US Dollar vs Renminbi (Hong Kong) (“USD/CNH”) Options</b></p>
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The following Contract Specifications shall apply to the USD/CNH Option Contract:

Contract Size	USD 100,000
Contract Months	Spot month, the next three calendar months and the next six calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per USD
Tick Value	RMB 10
Trading Hours (Hong Kong time)	8:30 a.m. – 6:30 p.m.
Trading Hours on Expiry Day (Hong Kong time)	8:30 a.m. – 11:00 a.m.
Trading Method	The Exchange’s Automated Trading System (HKATS)
Expiry Day	Two Trading Days (each of which is also a Business Day) prior to the Final Settlement Day
Option Premium	Quoted in 4 decimal places
Contracted Value	Option Premium multiplied by the Contract Size
Strike Prices	Strike Prices shall be set at intervals of 0.05  On any Trading Day, new consecutive Strike Prices may be set for, or added to, each Option Contract such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Trading Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Trading Day’s Closing Quotation (as defined in the Clearing House Rules) of (i) the Spot Month USD/CNH Futures Contract for any day prior to

the Expiry Day; and (ii) the next month USD/CNH Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style European Style options which may only be exercised on Expiry Day

Settlement on Exercise Physical Delivery on Exercise. Delivery of US dollars or payment of the Final Settlement Value in RMB in accordance with the mechanism and provisions set forth in the Regulations for Trading Currency Options Contracts and the Clearing House Rules

	Holder	Writer
Call Options	Payment of the Final Settlement Value in RMB	Delivery of US dollars
Put Options	Delivery of US dollars	Payment of the Final Settlement Value in RMB

Final Settlement Day The third (3<sup>rd</sup>) Wednesday of the Contract Month. If it is not a Business Day, the Final Settlement Day shall be the next Business Day

Official Settlement Price USD/CNY(HK) Spot Rate published by the Hong Kong Treasury Markets Association at or around 11:30 a.m. on the Expiry Day

Position Limits Position delta for the USD/CNH Futures, Mini USD/CNH Futures, CNH/USD Futures and USD/CNH Options combined of 30,000 long or short, in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and

Position delta for the USD/CNH Futures, Mini USD/CNH Futures, CNH/USD Futures and USD/CNH Options combined of 30,000 long or short, in all Contract Months combined, per Client

For this purpose, the position delta equivalent of (i) a Mini USD/CNH Futures Contract to a USD/CNH Futures

Contract and (ii) a CNH/USD Futures Contract to a USD/CNH Futures Contract shall be calculated as follows:

Position Delta	Equivalent Position Delta
One long Mini USD/CNH Futures Contract	0.2 of one long USD/CNH Futures Contract
One short Mini USD/CNH Futures Contract	0.2 of one short USD/CNH Futures Contract
One short CNH/USD Futures Contract	0.5 of one long USD/CNH Futures Contract
One long CNH/USD Futures Contract	-0.5 of one long USD/CNH Futures Contract

Position delta for the Spot Month USD/CNH Futures Contract and the Spot Month USD/CNH Options Contract combined during the five Trading Days up to and including the Expiry Day shall not exceed 15,000 long or short

Large Open Positions	500 open contracts in any one series per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts in any one series per Client
Minimum Fluctuation	RMB 0.0001 (4 decimal places)
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">RMB 8.00</span>  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable
Exercise Fee	A fee of RMB 8.00 will be charged by the Exchange for each Option Contract exercised. Option Contracts not exercised shall be deemed to have expired worthless and will not be assessed an Exercise Fee
Commission Rate	Negotiable

## **REGULATIONS FOR TRADING CURRENCY OPTIONS CONTRACTS**

### **INTERPRETATION**

001 These Regulations may be cited as the Regulations for trading Currency Options Contracts (hereinafter referred to as the "Regulations").

002 The Exchange Rules and the Clearing House Rules (referred to collectively as the "Rules") including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

“Cabinet Trade”	an option that is executed at a price prescribed by the Exchange as the Minimum Fluctuation;
“Contract Month”	the month and year in which an option expires;
“Contract Size”	for any Currency Options Contract, the size so designated in the applicable Contract Specifications;
“Contracted Value”	the Options Premium multiplied by the Contract Size or, if different, the value as specified in the applicable Contract Specifications;
“Currency Option” or “option”	an Option Contract on a given currency at a specified exchange rate;
“Currency Options Contract”	an Exchange Contract subject to these Regulations;
“Currency Options Market”	a Market subject to these Regulations;
“Expiry Day”	the only Business Day on which a Currency Option can be exercised subject to Rule 901 of the Exchange Rules and as specified in the Contract Specifications;
“Final Settlement Day”	the Final Settlement Day as specified from time to time in the Contract Specifications of the relevant Currency Options Contract;

“Final Settlement Value”	the value of a Currency Option as specified in Regulations 014 to 017 for cash settled contracts and in Regulations 021 to 024 for Physical Delivery Contracts;
“Holder”	an HKCC Participant which holds a long option position;
“Maximum Fluctuation”	the maximum allowable movement in the price of any Currency Options Contract per trading session above or below the last Closing Quotation or such other reference price as may be specified by the Exchange from time to time;
“Minimum Fluctuation”	the minimum allowable movement in the price of any Currency Options Contract as specified in the Contract Specifications;
“Official Settlement Price”	the price as determined by the Clearing House and calculated in accordance with the Contract Specifications;
“Option Premium”	the price at which an option is bought or sold excluding any commissions, trading fees and applicable levies;
“Settlement Currency”	<p>(a) in respect of any Currency Options Contract which is a cash settled contract, the currency in which the Currency Options Contract shall be settled, as specified in the Contract Specifications; and (b) in respect of any Currency Options Contract which is a Physical Delivery Contract:</p> <ul style="list-style-type: none"> <li>(i) in the case of the Holder of a call option or Writer of a put option, the Settlement Currency shall be the currency in which the Currency Options Contract shall be settled by the Holder of a call option or the Writer of a put option; and</li> <li>(ii) in the case of the Writer of a call option or the Holder of a put option, the Settlement Currency for final settlement shall be the currency underlying the Currency Options Contract which shall be delivered by</li> </ul>



the Writer of a call option or the Holder of a put option and the Settlement Currency for payment of Clearing House margin, variation adjustment and any other form of margin or fees which may be imposed by the Clearing House or the Exchange shall be the currency in which the Currency Options Contract is traded;

- “Spot Month Options Contract” in a given month: (i) on day(s) prior to and “Spot Month” and on the Expiry Day of that month, a Spot Month Currency Option refers to a Currency Option with an Expiry Day in that same given month; and (ii) on the day after the Expiry Day of that month, a Spot Month Currency Option refers to a Currency Option with an Expiry Day in the immediately following month; and Spot Month shall be construed accordingly;
- “Tick Value” the value of the Minimum Fluctuation multiplied by the Contract Size or, if different, the value as specified in the applicable Contract Specifications;
- “Trading Hours” such period or periods, approved by the Board, within a Trading Day in which trading in any or all Currency Options Contracts occurs, as specified in the Contract Specifications;
- “Underlying Currency” in respect of any Currency Options Contract which is a Physical Delivery Contract, the currency underlying the Currency Options Contract which shall be delivered by the Writer of a call option or the Holder of a put options; and
- “Writer” an HKCC Participant which holds a short option position.

## **CONTRACT SPECIFICATIONS**

- 003 The terms and conditions for each Currency Options Contract shall include, among other things:
- (a) Commission Rate;
  - (b) Contract Months;
  - (c) Contract Size;
  - (d) Contracted Value;
  - (e) Exercise Style;
  - (f) Expiry Day;
  - (g) Final Settlement Day;
  - (h) Large Open Positions;
  - (i) Minimum Fluctuation;
  - (j) Official Settlement Price;
  - (k) Option Premium;
  - (l) Position Limits;
  - (m) Price Quotation;
  - (n) Settlement on Exercise;
  - (o) Strike Price;
  - (p) Tick Value;
  - (q) Trading Hours; and
  - (r) Trading Method.
- 004 Contract Specifications for Currency Options Contracts may be changed from time to time by the Board in consultation with the Commission. Exchange Participants shall be given notice of a change in the Contract Specifications prior to implementation of the change.

## **TRADING**

- 005 Bids and offers for Currency Options Contracts shall be expressed in terms of a number in multiples of the Minimum Fluctuation. The Minimum Fluctuation shall be as prescribed in the Contract Specifications from time to time.
- 006 Trading in Currency Options Contracts shall be carried out through HKATS in accordance with the Rules, these Regulations and the applicable Procedures.
- 007 The Currency Options Market shall be open for trading in Currency Options Contracts on every Trading Day subject to the Exchange Rules. Trading hours shall be as prescribed by the Board from time to time.
- 008 Subject to the Exchange Rules, trading in Currency Options Contracts shall cease at the close of trading hours on the applicable Expiry Day or at such other times as specified by the Board.
- 009 All disputes as to bids, offers, acceptances or withdrawals during trading sessions shall be governed by the Exchange Rules.

## **OFFICIAL SETTLEMENT PRICE**

- 010 The Exchange shall, in conjunction with the Clearing House, announce the Official Settlement Price as soon as practicable after it has been determined.
- 011 Subject to Regulation 012, the Official Settlement Price of a Currency Options Contract shall be determined by the Clearing House in accordance with the Contract Specifications.
- 012 If, in the opinion of the Chief Executive, circumstances are developing or have developed which are capable of preventing the calculation of an Official Settlement Price, or which may render an Official Settlement Price unrepresentative of the level of exchange rate of the underlying currency at the close of trading on the Expiry Day, then the Chief Executive, after consultation with the Commission, may either on his own or in conjunction with the Clearing House take such steps as he deems appropriate to enable the Official Settlement Price to be determined.

## **CASH SETTLEMENT ON EXERCISE**

- 013 The obligations and rights of the Holder and the Writer under a Currency Options Contract which is a cash settled contract are as specified in Regulations 014 to 017.
- 014 The Holder of a Call Option shall have the following rights in respect of each Call Option held:
- (a) if, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the option shall be deemed to be exercised by the Holder.

The Holder shall be entitled to receive the Final Settlement Value from the Clearing House, which shall be equal to the difference between the Official Settlement Price and the Strike Price of the Call Option, multiplied by the Tick Value and divided by the Minimum Fluctuation; or

- (b) if, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Price, then the option shall be deemed to have expired worthless.
- 015 The Writer of a Call Option shall have the following obligations in respect of each Call Option written:
- (a) if, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the Writer shall pay to the Clearing House the Final Settlement Value, which shall be equal to the difference between the Official Settlement Price and the Strike Price of the Call Option, multiplied by the Tick Value and divided by the Minimum Fluctuation; or

- (b) if, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Price, the Call Option shall be deemed to have expired worthless and the Writer shall have no further obligation in respect of that option.
- 016 The Holder of a Put Option shall have the following rights in respect of each Put Option held:
- (a) if, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the option shall be deemed to be exercised by the Holder.
- The Holder shall be entitled to receive the Final Settlement Value from the Clearing House, which shall be equal to the difference between the Strike Price of the Put Option and the Official Settlement Price, multiplied by the Tick Value and divided by the Minimum Fluctuation; or
- (b) if, on the relevant Expiry Day, the Strike price of the Put Option is less than, or equal to, the Official Settlement Price, then the option shall be deemed to have expired worthless.
- 017 The Writer of a Put Option shall have the following obligations in respect of each Put Option written:
- (a) if, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the Writer shall pay to the Clearing House the Final Settlement Value, which shall be equal to the difference between the Strike Price of the Put Option and the Official Settlement Price, multiplied by the Tick Value and divided by the Minimum Fluctuation; or
- (b) if, on the relevant Expiry Day, the Strike Price of the Put Option is less than, or equal to, the Official Settlement Price, the Put Option shall be deemed to have expired worthless and the Writer shall have no further obligation in respect of that option.
- 018 The Final Settlement Value shall be determined in accordance with the calculations specified in Regulations 014 to 017 above and all margin payments and variation adjustments made to, received from or owed to, the Clearing House prior to and including Expiry Day, shall be set off against the amount owing to or by the HKCC Participant.
- 019 All rights of a Holder and obligations of a Writer of Currency Options shall be satisfied by cash settlement by or with the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

## **PHYSICAL DELIVERY ON EXERCISE**

- 020 The obligations and rights of the Holder and the Writer under a Currency Options Contract which is a Physical Delivery Contract are as specified in Regulations 021 to 024.
- 021 The Holder of a Call Option shall have the following obligations and rights in respect of each Call Option held:
- (a) if, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the option shall be deemed to be exercised by the Holder.  
  
The Holder shall be liable to pay to the Clearing House the Final Settlement Value in the Settlement Currency, which shall be equal to the Strike Price multiplied by the Contract Size and shall be entitled to receive the Underlying Currency of the Currency Options Contract according to the Contract Size; or
  - (b) if, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Price, then the option shall be deemed to have expired worthless.
- 022 The Writer of a Call Option shall have the following obligations and rights in respect of each Call Option written:
- (a) if, on the relevant Expiry Day, the Strike Price of the Call Option is less than the Official Settlement Price, the Writer shall be liable to deliver to the Clearing House the Underlying Currency of the Currency Options Contract according to the Contract Size and shall be entitled to receive from the Clearing House the Final Settlement Value in the Settlement Currency, which shall be equal to the Strike Price multiplied by the Contract Size; or
  - (b) if, on the relevant Expiry Day, the Strike Price of the Call Option is greater than, or equal to, the Official Settlement Price, the Call Option shall be deemed to have expired worthless and the Writer shall have no further obligation in respect of that option.
- 023 The Holder of a Put Option shall have the following obligations and rights in respect of each Put Option held:
- (a) if, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the option shall be deemed to be exercised by the Holder.

The Holder shall be liable to deliver to the Clearing House the Underlying Currency of the Currency Options Contract according to the Contract Size and shall be entitled to receive from the Clearing House the Final Settlement Value in the Settlement Currency, which

shall be equal to the Strike Price multiplied by the Contract Size; or

- (b) if, on the relevant Expiry Day, the Strike price of the Put Option is less than, or equal to, the Official Settlement Price, then the option shall be deemed to have expired worthless.

024 The Writer of a Put Option shall have the following obligations and rights in respect of each Put Option written:

- (a) if, on the relevant Expiry Day, the Strike Price of the Put Option is greater than the Official Settlement Price, the Writer shall be liable to pay to the Clearing House the Final Settlement Value in the Settlement Currency, which shall be equal to the Strike Price multiplied by the Contract Size and shall be entitled to receive the Underlying Currency of the Currency Options Contract according to the Contract Size; or
- (b) if, on the relevant Expiry Day, the Strike Price of the Put Option is less than, or equal to, the Official Settlement Price, the Put Option shall be deemed to have expired worthless and the Writer shall have no further obligation in respect of that option.

025 The Final Settlement Value shall be determined in accordance with the calculations specified in Regulations 021 to 024 above and all margin payments and variation adjustments made to, received from or owed to, the Clearing House prior to and including Expiry Day, shall be set off against the amount owing to or by the HKCC Participant.

026 All obligations and rights of a Holder and a Writer of Currency Options Contracts which is a Physical Delivery Contract shall be satisfied by delivery of the Underlying Currency or payment of the Final Settlement Value to or by the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

## **SETTLEMENT CURRENCY AND CONVERSION RATES**

027 Where the currency in which a Currency Options Contract is traded is different from the Settlement Currency, the amount required to be settled by an Exchange Participant on the Final Settlement Day shall, where applicable, be converted to the Settlement Currency equivalent. The conversion rate to be applied shall be determined by the Clearing House in accordance with the Contract Specifications. If the rate is unobtainable, or circumstances have arisen or are threatened which will prevent the determination of the conversion rate in accordance with the Contract Specifications, the Clearing House may, in its discretion, adjust or otherwise determine the conversion rate.

028 The Clearing House will promptly announce these rates after they are determined. Exchange Participants must use these rates for conversions at the Client account level.

## **REGISTRATION**

- 029 All Exchange Participants trading in Currency Options Contracts shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing of Currency Options Contracts.

## **MARGIN AND VARIATION ADJUSTMENTS**

- 030 Clearing House margin, additional margin and variation adjustments shall be set, collected or distributed in respect of Currency Options Contracts in the Settlement Currency in accordance with the Rules.

## **COMMISSION AND LEVIES**

- 031 (a) The rate of commission for each Currency Options Contract shall be negotiable between an Exchange Participant and its Client.
- (b) Trading of Currency Options Contracts shall be subject to an Exchange fee which shall become immediately payable to the Exchange upon registration of each Contract with the Clearing House. The Exchange fee shall be paid to the Exchange through the Clearing House and shall be set by the Board from time to time.
- (c) Any levies required to be paid pursuant to the Ordinance or the Contract Specifications in consequence of trading in Currency Options Contracts shall be paid to the Exchange through the Clearing House in such manner as the Exchange shall, in consultation with the Commission, prescribe from time to time.

## **PAYMENT OF OPTION PREMIUM AND CLIENT ACCOUNTS**

- 032 A Client may, subject to the Rules, open and maintain with an Exchange Participant one of two types of account with respect to trading options. The two available account types are:
- (a) a Client cash account in which a Client may carry only long option positions in respect of which the full cash value of the Option Premium has been paid to the Exchange Participant on the day of the trade; and
- (b) at the discretion of the Exchange Participant, a Client margin account in which a Client may carry both long and short option positions in respect of which the Client has paid the applicable margin in accordance with the Rules. Notwithstanding the foregoing, a Client margin account may be established only when the Exchange Participant employs a margining system or methodology approved by the Exchange.

Both types of accounts shall be opened and maintained in accordance with the Rules.

## **APPROVAL TO CONDUCT BUSINESS IN CURRENCY OPTIONS**

- 033 (a) Exchange Participants must seek approval from the Exchange in order to trade any Currency Options Contracts.
- (b) In respect of any Currency Options Contracts, the Exchange may, in its absolute discretion, grant or withhold such approval or grant its approval subject to such restrictions or conditions, or after granting such approval restrict or attach conditions, as it shall deem fit in view of the matters set out in sub-paragraph (c) and the decision of the Exchange shall be final and conclusive.
- (c) In the exercise of its discretion, the Exchange will take into account whether an Exchange Participant:-
- (i) is financially and operationally capable of fulfilling all obligations related to participation in the Currency Options Market;
  - (ii) has adequate internal control and risk management procedures in place; and
  - (iii) has installed the HKATS equipment to the satisfaction of the Exchange.

In applying for approval, every person shall follow the procedures prescribed by the Exchange from time to time.

## **DISCLAIMER**

- 034 Every Exchange Participant shall ensure that prior to its accepting or carrying an account for trading in a Currency Options Market on behalf of any Client a disclaimer in the form prescribed by the Board from time to time is delivered to the Client.

## **DISCLOSURE REQUIREMENTS**

- 035 No Exchange Participant may open or deal for an account trading Currency Options for a Client unless the Exchange Participant:
- (a) is approved by the Exchange to trade Currency Options; and
  - (b) is approved to conduct Client business.

## **NON-COMPLIANCE**

- 036 An Exchange Participant which does not comply with these Regulations, the Rules and the applicable Procedures in any respect (including, without limitation, settlement with the Clearing House on the Final Settlement Day) shall be liable to disciplinary proceedings under the Exchange Rules.



## **LARGE OPEN POSITIONS**

- 037 (a) The Board shall specify Large Open Positions in the Contract Specifications as provided for in the Exchange Rules.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated Exchange staff as required by the Rules and the applicable Procedures.

## **POSITION LIMITS**

- 038 (a) The Chief Executive may impose Position Limits on Exchange Participants and their Clients as provided for in the Rules and such Position Limits shall be specified in the Contract Specifications.
- (b) Subject to Exchange Rules 629(e) and 630(e), the Chief Executive may, on a case-by-case basis, increase, decrease or remove the Position Limits imposed pursuant to the Rules by giving notice in writing to the Clearing House, the Exchange Participant and the Commission.
- (c) The Chief Executive shall not be required to give any reasons for his decision to increase, decrease or remove the Position Limits pursuant to the Rules.
- (d) Failure to comply with the Position Limits is governed by the Rules.
- (e) Subject to Exchange Rules 629(e) and 630(e), the Chief Executive may approve higher Position Limits for liquidity providers.

*Note: The Commission may also impose contract limits under the Ordinance.*

## **MAXIMUM FLUCTUATION**

- 039 The Chief Executive, after consultation with the Commission and the Board, may from time to time, specify a Maximum Fluctuation. Whenever a Maximum Fluctuation has been specified, trading can only occur at prices within the limit of the Closing Quotation from the last trading session or a reference price specified by the Exchange, plus or minus the Maximum Fluctuation.

## **SHORT OPTION POSITION RESTRICTIONS**

- 040 The Board reserves the right to prohibit or restrict Exchange Participants from carrying short option positions in the Exchange Participant's own accounts or in the accounts of their Clients.

## **LIQUIDITY PROVISION**

- 041 Notwithstanding anything contained in the Rules, the Exchange may from time to time, in its absolute discretion, appoint Exchange Participants to

provide liquidity for Currency Options Contracts in the Currency Options Market at any time and on such terms and conditions as the parties may agree. For the avoidance of doubt, the terms and conditions of any appointment, including the liquidity providing activities, the liquidity providing arrangements, the liquidity providing requirements, the Exchange Fee concessions and/or other incentives upon meeting the liquidity providing requirements, are subject to negotiation between the Exchange and the relevant Exchange Participant and may therefore vary among different appointments of different Exchange Participants.

**TRADING PROCEDURES FOR CURRENCY FUTURES AND CURRENCY  
OPTIONS TRADED ON THE AUTOMATED TRADING SYSTEM OF THE  
EXCHANGE (“HKATS”)**

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These procedures shall be read in conjunction with and shall form part of the Exchange Rules. Unless otherwise indicated, the terms used herein shall have the same meanings as contained in the Exchange Rules and/or the Clearing House Rules.

## **CHAPTER 1**

### **TRADING**

#### 1.1 *Method of Trading*

Trading in Currency Futures Contracts and Currency Options Contracts shall be conducted exclusively through the Automated Trading System of the Exchange (“HKATS”) in accordance with the Exchange Rules, the Clearing House Rules, applicable Regulations, Contract Specifications and Procedures, the Clearing House Procedures and the HKATS User’s Guide.

## **CHAPTER 2**

### **ELIGIBILITY TO TRADE CURRENCY FUTURES CONTRACTS AND CURRENCY OPTIONS CONTRACTS**

#### *2.1 Currency Futures and Currency Options Trading Privileges*

An Exchange Participant must be approved by and registered with the Exchange to trade through HKATS.

An Exchange Participant must be approved by the Exchange to trade Currency Futures Contracts and Currency Options Contracts through HKATS.

To be approved to trade Currency Futures Contracts and Currency Options Contracts an Exchange Participant shall have at least one (1) HKATS Exchange Participant Representative who is registered with the Exchange to trade Currency Futures Contracts and Currency Options Contracts.

## CHAPTER 3

### MARKET MAKERS IN CURRENCY FUTURES CONTRACTS

#### 3.1 *Application for a Market Maker Permit*

The Exchange may appoint a Market Maker either as a Primary Market Maker or as a Secondary Market Maker in a Currency Futures Contract. Invitations to Exchange Participants for application to make a market as a Primary Market Maker or a Secondary Market Maker may be made by the Exchange from time to time by email or by circular. An Exchange Participant's application for a Market Maker permit in a Currency Futures Contract shall be made in writing to the Exchange.

The Chief Executive has the sole discretion to determine the total number of Primary Market Makers or Secondary Market Makers that may be appointed for each Currency Futures Contract from time to time. If the number of applicants exceeds the total number determined by the Chief Executive, Exchange Participants may be required to undergo a bidding process in accordance with such procedures or requirements as may be specified by the Exchange. In considering whether a Market Maker permit should be granted, the Chief Executive may give regard to such matters as he may in his absolute discretion consider to be appropriate, including Exchange Participants' market making commitment levels in terms of bid and offer spread and size of quote and any evaluation criteria that may be specified by the Exchange as part of the bidding process. Before appointing a Market Maker as a Primary Market Maker or Secondary Market Maker, the Exchange will also require the Exchange Participant to sign and agree to be bound by an appointment letter, which sets forth, among other things, the terms and conditions under which it is appointed as a Primary Market Maker or Secondary Market Maker and the market making obligations of the Exchange Participant as a Primary Market Maker or Secondary Market Maker, which may vary from one Market Maker to another.

The decision of the Chief Executive in respect of the approval or rejection in whole or in part of an application or a bid to become a Primary Market Maker or Secondary Market Maker in any particular Currency Futures Contract(s) shall be final and conclusive.

Upon granting a Market Maker permit in a Currency Futures Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with not less than three (3) contract months in the Currency Futures Contract.

If a Market Maker that has been appointed as a Primary Market Maker fails to meet the market making requirements set forth in procedure 3.2.1 for three (3) consecutive calendar months, the Exchange may, at the absolute discretion of the Chief Executive, re-categorise its appointment as a Secondary Market Maker.

In addition, the Exchange may, at the absolute discretion of the Chief Executive, revoke the Market Maker permit of a Secondary Market Maker

in a Currency Futures Contract or any market making arrangement or other approval granted thereunder in either of the following circumstances:

- (a) where the Market Maker has elected to respond to Quote Requests, it has failed to meet the market making requirements set forth in procedure 3.2.2.2 for four (4) consecutive calendar months; or
- (b) where the Market Maker has elected to provide Continuous Quotes, it has failed to meet the market making requirements set forth in procedure 3.2.2.3 for four (4) consecutive calendar months.

The duration of each Market Maker permit granted will be one year and, unless the Market Maker has notified the Exchange of its intention not to renew the Market Maker permit at least 30 days prior to expiry, the Market Maker permit will be automatically renewed from year to year on terms identical to those of the current Market Maker permit.

### 3.2 *Market Making Requirements of a Market Maker*

In order for a Market Maker to be entitled to Market Maker Incentives (for itself if applicable and for each of its market making arrangements under the relevant Market Maker permit if any), the Market Maker (itself if applicable) and each such market making arrangement shall separately be required to satisfy the market making requirements set forth in this procedure 3.2 by responding to Quote Requests or providing Continuous Quotes during the Trading Days of each calendar month. References to “Market Maker”, “Primary Market Maker” or “Secondary Market Maker” in procedures 3.2, 3.3 and 3.4 shall accordingly be construed to mean “Market Maker, Primary Market Maker or Secondary Market Maker (itself if applicable) and each of its market making arrangements under the relevant Market Maker permit” or, where the context requires otherwise, any of them.

#### 3.2.1 Market Making Requirements of a Primary Market Maker in a Currency Futures Contract

3.2.1.1 Each Primary Market Maker shall, on Trading Days during one or both of the following periods as specified in its appointment letter: (i) from 9:00 a.m. to the end of the day trading session or such other period of time within the day trading session as specified in its appointment letter, and/or (ii) the after-hours trading session, in respect of each Currency Futures Contract for which it is appointed a Primary Market Maker:

3.2.1.1.1 provide Continuous Quotes for the assigned contract months during not less than seventy (70) percent of the market making hours specified in its appointment letter in each calendar month provided that if there is any Trading Day which is a public holiday in Hong Kong within the calendar month, such percentage shall be reduced by a percentage representing the number of Trading Days

which are public holidays in Hong Kong over the number of Trading Days in the calendar month;

3.2.1.1.2 quote the assigned contract months with a bid/offer spread of not greater than the number of Minimum Fluctuations and for a size of not fewer than the number of contracts applicable to its market making hours set forth below:

For the period from 9:00 a.m. to the end of the day trading session or such other period of time within the day trading session as specified in its appointment letter:

Currency Futures Contract	Contract <u>Month</u>	Maximum Bid/Offer Spread (Minimum <u>Fluctuations</u> )	Minimum Quote Size ( <u>Contracts</u> )
USD/CNH	Spot and next calendar	20	10
USD/CNH	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	50	10
USD/CNH	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> calendar quarter	80	10
USD/CNH	5 <sup>th</sup> calendar quarter	100	10
EUR/CNH, AUD/CNH, JPY/CNH	Spot and next calendar	50	10
EUR/CNH, AUD/CNH, JPY/CNH	Other months	100	10
CNH/USD	Spot and next calendar	5	10
CNH/USD	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	10	10
CNH/USD	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> calendar quarter	15	10

For the after-hours trading session:

Currency Futures	Contract <u>Month</u>	Maximum Bid/Offer Spread	Minimum Quote
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<u>Contract</u>		(Minimum <u>Fluctuations</u> )	Size <u>(Contracts)</u>
USD/CNH	Spot and next calendar	20	10
USD/CNH	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	60	10
USD/CNH	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> calendar quarter	100	10
EUR/CNH, AUD/CNH, JPY/CNH	Spot and next calendar	50	10
EUR/CNH, AUD/CNH, JPY/CNH	Other months	100	10
CNH/USD	Spot and next calendar	5	10
CNH/USD	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	10	10
CNH/USD	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> calendar quarter	15	10

3.2.1.1.3 The Chief Executive may, in consultation with the Commission, reduce, increase or vary the obligations, restrictions and conditions which must be complied with by a Primary Market Maker.

### 3.2.2 Market Making Requirements of a Secondary Market Maker in a Currency Futures Contract

3.2.2.1 A Secondary Market Maker in a Currency Futures Contract must either respond to Quote Requests or provide continuous Quotes. The Exchange Participant shall notify the Exchange of the Market Maker's election(s).

#### 3.2.2.2 Responding to Quote Requests

If a Secondary Market Maker in a Currency Futures Contract elects to respond to Quote Requests, it shall, on Trading Days during one or both of the following periods as specified in its appointment letter: (i) from 9:00 a.m. to the end of the day trading session or such other period of time within the day trading session as specified in its appointment letter, and/or (ii) the after-hours trading session:

- 3.2.2.2.1 respond to not less than forty (40) percent of the Quote Requests on the assigned contract months in the Currency Futures Contract during the market making hours specified in its appointment letter in each calendar month;
- 3.2.2.2.2 respond to a Quote Request on an assigned contract month in the Currency Futures Contract within ten (10) seconds of the Quote Request's display on HKATS;
- 3.2.2.2.3 respond to a Quote Request on an assigned contract month in the Currency Futures Contract with a Quote for a bid/offer spread of not greater than the number of Minimum Fluctuations and for a size of not less than the number of contracts set forth below, unless otherwise specified by the Chief Executive from time to time:

Currency Futures <u>Contract</u>	Contract <u>Month</u>	Maximum Bid/Offer Spread (Minimum <u>Fluctuations</u> )	Minimum Quote Size ( <u>Contracts</u> )
USD/CNH	Spot and next calendar	20	10
USD/CNH	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	50	10
USD/CNH	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> calendar quarter	80	10
USD/CNH	5 <sup>th</sup> calendar quarter	100	10
EUR/CNH, AUD/CNH, JPY/CNH	Spot and next calendar	50	10
EUR/CNH, AUD/CNH, JPY/CNH	Other months	100	10
CNH/USD	Spot and next calendar	5	10
CNH/USD	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	10	10
CNH/USD	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> calendar quarter	15	10

3.2.2.2.4 display on HKATS a Quote made in response to a Quote Request on an assigned contract month in the Currency Futures Contract for not fewer than ten (10) seconds.

3.2.2.3 Providing Continuous Quotes

If a Secondary Market Maker in a Currency Futures Contract elects to provide continuous Quotes, it shall, on Trading Days:

3.2.2.3.1 quote the assigned contract months in the Currency Futures Contract during not less than forty (40) percent of the market making hours specified in its appointment letter in each calendar month provided that if there is any Trading Day which is a public holiday in Hong Kong within the calendar month, such percentage shall be reduced by a percentage representing the number of Trading Days which are public holidays in Hong Kong over the number of Trading Days in the calendar month;

3.2.2.3.2 quote the assigned contract months in the Currency Futures Contract with a bid/offer spread of not greater than the number of Minimum Fluctuations and for a size of not fewer than the number of contracts applicable to its market making hours set forth below:

For the period from 9:00 a.m. to the end of the day trading session or such other period of time within the day trading session as specified in its appointment letter:

Currency Futures Contract	Contract Month	Maximum Bid/Offer Spread (Minimum Fluctuations)	Minimum Quote Size (Contracts)
USD/CNH	Spot and next calendar	20	10
USD/CNH	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	50	10
USD/CNH	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> calendar quarter	80	10
USD/CNH	5 <sup>th</sup> calendar quarter	100	10

EUR/CNH, AUD/CNH, JPY/CNH	Spot and next calendar	50	10
EUR/CNH, AUD/CNH, JPY/CNH	Other months	100	10
CNH/USD	Spot and next calendar	5	10
CNH/USD	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	10	10
CNH/USD	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> calendar quarter	15	10

For the after-hours trading session:

Currency Futures <u>Contract</u>	Contract <u>Month</u>	Maximum Bid/Offer Spread (Minimum <u>Fluctuations</u> )	Minimum Quote Size ( <u>Contracts</u> )
USD/CNH	Spot and next calendar	20	10
USD/CNH	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	60	10
USD/CNH	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> calendar quarter	100	10
EUR/CNH, AUD/CNH, JPY/CNH	Spot and next calendar	50	10
EUR/CNH, AUD/CNH, JPY/CNH	Other months	100	10
CNH/USD	Spot and next calendar	5	10
CNH/USD	3 <sup>rd</sup> calendar and 4 <sup>th</sup> calendar	10	10
CNH/USD	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> calendar quarter	15	10

3.2.2.3.3 The Chief Executive may, in consultation with the Commission, reduce, increase or vary the obligations, restrictions and conditions which must be complied with by a Secondary Market

Maker.

3.3 *Market Making Requirements During Unusual Market Conditions*

During Unusual Market Conditions, the Chief Executive may, in his discretion, temporarily suspend or modify some or all of the market making requirements of a Market Maker.

3.4 *Market Maker Incentives*

A Market Maker in a Currency Futures Contract shall be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in the Currency Futures Contract and/or other incentives as specified in its appointment letter.

Unless otherwise determined by the Chief Executive, a Market Maker shall be entitled to the above Market Maker Incentives only if it satisfies the market making requirements set forth in procedures 3.2.1 and/or 3.2.2. Without prejudice to any powers or rights of the Exchange or the Chief Executive, if a Market Maker in a Currency Futures Contract does not meet the prescribed market making requirements for a calendar month, the Exchange reserves the right to charge, at the absolute discretion of the Chief Executive, (i) such Market Maker Exchange Fees at the full rate as specified in the respective Contract Specifications for all transactions effected in that calendar month for all products in respect of which reduced Exchange Fees have been provided for in this procedure, and (ii) such other incentives already provided by the Exchange in that calendar month.

3.5 *Market Maker may not Trade for Client*

A Market Maker in a Currency Futures Contract shall not in its capacity as such accept an Order or execute a transaction for any Client and shall ensure that each of its market making arrangements will not execute any transaction for an account other than its own account, unless otherwise approved by the Exchange.

3.6 *Separate Market Maker Accounts for Market Making Arrangements*

Trades arising from market making activities in relation to each of the Market Maker's market making arrangements will be recorded in separate market maker accounts.

## CHAPTER 4

### DEALING FUNCTIONALITY

#### 4.1 *Order Entry*

An Order in a Currency Futures Contract or a Currency Options Contract may be entered into HKATS only during the trading hours and, where applicable, the pre-opening session (in respect of Limit Orders and Auction Orders) and the pre-open allocation session (in respect of Auction Orders only) of the Pre-Market Opening Period for the Currency Futures Contract or the Currency Options Contract.

#### 4.2 *Automatic Cancellation of an Order due to Suspension of Trading or Site Failure*

An Order resident on the Central Orderbook for a Currency Futures Contract or a Currency Options Contract will be canceled upon the suspension of trading in that Currency Futures Contract or Currency Options Contract.

Notification of a suspension of trading in a Currency Futures Contract or a Currency Options Contract will be made on the HKATS Market Message display window.

Notification of the resumption of trading in a suspended Currency Futures Contract or a suspended Currency Options Contract will be made on the HKATS Market Message display window not less than ten (10) minutes, or such shorter period as the Chief Executive may determine, prior to the resumption of trading in that Currency Futures Contract or Currency Options Contract.

An Order automatically canceled due to the suspension of trading in a Currency Futures Contract or a Currency Options Contract may be re-entered into HKATS upon the resumption of trading in that Currency Futures Contract or Currency Options Contract.

In the event of a system failure at an Exchange Participant's site, the Exchange Participant shall contact the Exchange at the HKATS hotline listed in the HKATS User's Guide and advise the Exchange if it wishes to have all its outstanding Orders canceled or remain activated. An Order of an Exchange Participant resident on the Central Orderbook will be inactivated 10 minutes after the occurrence of a system failure at the Exchange Participant's site unless the Exchange Participant has requested the Exchange to keep the Order activated within 10 minutes of the site failure. The Exchange shall not be liable to an Exchange Participant for canceling or keeping activated any Order of the Exchange Participant at its instructions or purported instructions.

An Exchange Participant affected by a system failure at its site may arrange with other Exchange Participants to handle new Orders and subsequently reallocate resulting trades to the corresponding accounts through external allocation according to the Clearing House Rules.

#### 4.3 *Order Amendments and Cancellations*

An Order in a Currency Futures Contract or a Currency Options Contract

entered into the Central Orderbook on behalf of a Client or the Exchange Participant and designated a particular Order number may be amended or canceled provided that the amendment or cancellation is made in compliance with the instructions of that Client or the Exchange Participant, as the case may be, in respect of that particular Order.

Exchange Participants may amend, cancel or inactivate Orders resident in the Central Orderbook (“Valid Orders”) only during trading hours and the period of 30 minutes before the opening of each trading session if the Pre-Market Opening Period is not applicable or the pre-opening session of the Pre-Market Opening Period if the Pre-Market Opening Period applies.

A Valid Order that is amended in connection with a reduction in size, a change in the duration of validity, or modification of optional (“free”) text information shall not affect the time priority of the original Valid Order.

A Valid Order that is amended in connection with price or an increase in size: (i) will result in the loss of time priority of the original Valid Order if the amendment is made during trading hours; and (ii) will result in the loss of time priority of the original Valid Order if the amendment is made during the Pre-Market Opening Period (where the Pre-Market Opening Period is applicable). Amendment in connection with price or an increase in size of a Valid Order is not allowed during the 30 minute period before the opening of a trading session (where the Pre-Market Opening Period is not applicable).

#### 4.4 *Execution of Standard Combinations*

4.4.1 In the event an Order for a spread or strategy combination listed in the “Series/Combinations” window of HKATS (“standard combination”) involving Currency Futures Contracts or Currency Options Contracts is entered into HKATS, HKATS will automatically generate derived Orders (“Bait Orders”) based on the prevailing market price of each individual market series comprising the standard combination and the price of the Order for the standard combination. Prices of these Bait Orders will be automatically adjusted according to price movement in the individual market series comprising the standard combination.

4.4.2 The ranking of Bait Orders shall be in accordance with the time the Bait Orders are generated. A Bait Order whose price is automatically adjusted according to the price movement and/or increase in quantity of the individual market series comprising the standard combination shall be treated as if the Bait Order were newly generated.

4.4.3 In the event an Order for a standard combination is executed separately as Bait Orders in the individual market series, each Currency Futures Contract or Currency Options Contract comprising the standard combination will be matched at the prevailing market price of the individual market series. Any matched Contracts will be recorded in HKATS as separate trades in the individual market series.

4.4.4 In the event an Order for a standard combination is executed in the standard combination market and not as Bait Orders in the individual

market series, the executed price of the standard combination may not necessarily correspond with the prevailing market prices of the Currency Futures Contracts or Currency Options Contracts comprising the standard combination. The matched standard combination will be recorded in HKATS as separate trades in the individual market series.

4.5 *(deleted)*

4.6 *(deleted)*

4.7 *Pre-Market Opening*

4.7.1 The pre-market opening algorithm of HKATS shall apply to such Currency Futures Contract(s) and/or Currency Options Contract(s) as the Exchange may from time to time notify to Exchange Participants.

4.7.2 The Pre-Market Opening Period shall comprise (i) the pre-opening session; (ii) the pre-open allocation session; and (iii) the open allocation session, the duration of which may be changed by the Exchange and notified to Exchange Participants from time to time at its discretion.

4.7.3 During the pre-opening session, Limit Orders and Auction Orders may be entered into HKATS and may be amended or canceled subject to the provisions of procedure 4.3. During the pre-open allocation session, only Auction Orders may be entered into HKATS. No Orders may be amended or canceled during the pre-open allocation session. During the open allocation session, no Orders may be entered into HKATS and no Orders may be amended or canceled. The Calculated Opening Price (COP), if any, will be calculated, and Orders will be matched subject to Rule 1215 or converted into Limit Orders or inactive Orders in accordance with the procedures set forth below during the open allocation session.

4.7.4 A COP will be calculated only if the highest bid price of the Limit Orders entered into HKATS is greater than or equal to the lowest ask price of the Limit Orders. If more than one price satisfies this criterion, the COP shall be calculated according to the following rules:

4.7.4.1 The COP shall be one of the bid or offer prices falling at or within the highest bid price and the lowest ask price of the Limit Orders;

4.7.4.2 The COP shall be the price at which the number of contracts matched would be maximized;

4.7.4.3 If more than one price satisfies the rule in procedure 4.7.4.2, the COP shall be the price at which the normal order imbalance is the lowest. For the purposes of this procedure,



normal order imbalance is defined as the difference between the number of bid contracts and the number of ask contracts that can be matched at a certain price;

- 4.7.4.4 If more than one price satisfies the rule in procedure 4.7.4.3, the COP shall be the price at which (i) the aggregate number of contracts comprising the bid Auction Orders and bid Limit Orders at or above that price or (ii) the aggregate number of contracts comprising the ask Auction Orders and ask Limit Orders at or below that price would be the highest;
  - 4.7.4.5 If more than one price satisfies the rule in procedure 4.7.4.4, the COP shall be the price closest to the previous Closing Quotation (as defined in the Clearing House Rules) of the relevant Currency Futures Contract or Currency Options Contract and if different trading sessions apply, (i) the COP in the case of the morning trading session shall be the price closest to the previous Closing Quotation as aforesaid and (ii) the COP in the case of the afternoon trading session shall be the price closest to the last traded price if the relevant Currency Futures Contract or Currency Options Contract was traded in the immediately preceding morning trading session or if there was no trading in the immediately preceding morning trading session, the rule in this procedure 4.7.4.5 shall be disregarded and the calculation of the COP shall proceed in accordance with the rule set forth in procedure 4.7.4.6;
  - 4.7.4.6 If more than one price satisfies the rule in procedure 4.7.4.5, the COP shall be the highest of such prices.
- 4.7.5 If a COP is calculated, Auction Orders and Limit Orders with ask prices at or below, or bid prices at or above, such determined COP shall be matched at the COP to the extent possible and any unmatched Auction Order shall be converted into a Limit Order with a bid or ask price equal to the COP immediately before Market open. The ranking of such converted Auction Orders and Limit Orders at the COP shall be in accordance with the time the converted Auction Orders and Limit Orders were originally entered into HKATS.
  - 4.7.6 If no COP can be calculated according to procedure 4.7.4 but bid and ask prices exist, all bid Auction Orders will be converted immediately before Market open into bid Limit Orders at the highest bid price and all ask Auction Orders will be converted immediately before Market open into ask Limit Orders at the lowest ask price of the Limit Orders entered into HKATS. The ranking of such converted Auction Orders and Limit Orders with the highest bid price or lowest ask price, as the case may be, shall be in accordance with the time the Auction Orders and Limit Orders were originally entered into HKATS.

- 4.7.7 If no COP can be calculated according to procedure 4.7.4 and no bid price or ask price exists, all bid Auction Orders (if no bid price exists) and all ask Auction Orders (if no ask price exists) will be converted into inactive Orders immediately before Market open.
- 4.7.8 The conduct of the Pre-Market Opening Period shall be under the surveillance of designated HKATS Officials. A designated HKATS Official may cancel any Order entered into HKATS during the Pre-Market Opening Period which in his opinion is a manifest error and which would disproportionately affect the Calculated Opening Price.

#### 4.8 *Creation, Execution and Deletion of Tailor-Made Combinations*

- 4.8.1 Exchange Participants can define and create a Tailor-Made Combination involving such Currency Futures Contracts and/or Currency Options Contracts and during such trading sessions as the Exchange may from time to time notify Exchange Participants using the tailor-made combination function of HKATS. Once created, a Tailor-Made Combination can be traded like a normal market series.
- 4.8.2 Exchange Participants shall ensure that the following criteria are satisfied when creating a Tailor-Made Combination:
- the Tailor-Made Combination is one of the strategy combinations prescribed by the Exchange;
  - the number of futures contract months or option series (“legs”) comprising the strategy is within the range prescribed by the Exchange;
  - the ratio between these legs is within the range prescribed by the Exchange;
  - the contract sizes of these legs must be identical;
  - the Tailor-Made Combination is not at that time prescribed as a standard combination; and
  - an active Order is submitted at the same time as the creation of the Tailor-Made Combination.
- 4.8.3 Tailor-Made Combinations created on a Trading Day will not be carried forward to the next Trading Day.
- 4.8.4 The executed price of a trade in a Tailor-Made Combination may not necessarily correspond with the prevailing market prices of the Currency Futures Contracts or Currency Options Contracts comprising the Tailor-Made Combination. The matched trade in the Tailor-Made Combination will be recorded in HKATS as separate trades in the individual market series.
- 4.8.5 The Exchange may from time to time prescribe a maximum number of

Tailor-Made Combinations that can be listed on HKATS on a Trading Day and a throughput rate for each HKATS connection to create Tailor-Made Combinations to protect the integrity of HKATS and to ensure the proper operation of the Markets.

4.8.6 The Exchange may at any time at its sole discretion limit the number of Tailor-Made Combinations an Exchange Participant may create on a Trading Day by notice to the Exchange Participants.

4.8.7 The Exchange reserves the right to delete any Tailor-Made Combination listed on HKATS and cancel any Order for that Tailor-Made Combination at any time if:

- (i) the Tailor-Made Combination does not satisfy the criteria as prescribed in procedure 4.8.2;
- (ii) there is no active Order for the Tailor-Made Combination;
- (iii) the total number of Tailor-Made Combinations listed on HKATS exceeds the maximum number prescribed and notified to Exchange Participants by the Exchange from time to time;
- (iv) the Tailor-Made Combination is created by an Exchange Participant which has exceeded the limit imposed on it under procedure 4.8.6; or
- (v) the Exchange determines that the Tailor-Made Combination is inappropriate.

4.8.8 Any trade in a Tailor-Made Combination that is not created in accordance with the criteria as prescribed in procedure 4.8.2 will not be considered as a valid trade by the Exchange and, notwithstanding any provisions of the Exchange Rules or the Clearing House Rules, will not be registered or cleared by the Clearing House. In the event that an Exchange Participant has been notified by the Exchange that a Tailor-Made Combination trade is invalid on the Trading Day during which the Tailor-Made Combination trade is executed, the Exchange in conjunction with the Clearing House will, without being required to give further notice to the Exchange Participant, delete the invalid Tailor-Made Combination trade from HKATS and the “deal file” of the clearing system as if the Tailor-Made Combination trade had never been executed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange or the Clearing House directly or indirectly in connection with the deletion of any invalid Tailor-Made Combination trade.

## **CHAPTER 5**

(deleted)

<p><b>Contract Specifications</b>  <b>For</b>  <b>Five-Year Ministry of Finance Treasury Bond (“MOF T-Bond”) Futures</b></p>
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The following Contract Specifications shall apply to the Five-Year MOF T-Bond Futures Contract:

Underlying Bond	Onshore Five-Year China Ministry of Finance Treasury Bonds with 3% coupon rate and annual coupon payment
Contract Size	RMB500,000
Contract Months	The two nearest quarter months (where quarter months are March, June, September and December) The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	As a percentage of the Contract Size, quoted to 3 decimal places
Minimum Fluctuation	0.002 percent of the Contract Size, which is equivalent to RMB10
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which the Five-Year MOF T-Bond Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by Contract Size divided by 100 (e.g. (101.000 x RMB500,000) / 100)
Trading Hours (Hong Kong time)	9:00 a.m. - 12:00 noon (morning trading session) and 1:00 p.m. - 4:30 p.m. (afternoon trading session)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:00 noon
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. - 12:00 noon (morning trading session) and 1:00 p.m. - 4:30 p.m. (afternoon trading session)  There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:00 noon
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limits	20,000 net contracts in all Contract Months combined, per Exchange Participant for the Exchange Participant’s own behalf; and

	20,000 net contracts in all Contract Months combined per Client
Large Open Positions	1,000 open contracts in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  1,000 open contracts in any one Contract Month per Client
Settlement Method	Cash settled contract for difference
Settlement Currency	RMB
Final Settlement Day	The second Trading Day after the Last Trading Day
Last Trading Day	The second Friday of the Contract Month  If it falls on a Hong Kong or Mainland China public holiday, the Last Trading Day will be the preceding Trading Day and which is also a business day in Mainland China
Final Settlement Price	The Final Settlement Price for Five-Year MOF T-Bond Futures Contracts shall be a number, rounded up to the nearest 3 decimal places if the figure in the fourth decimal place is 5 or above and rounded down to the nearest 3 decimal places if it is below 5, determined by the Clearing House and shall be the onshore Five-Year China MOF T-Bond basket reference price provided by China Central Depository & Clearing Co., Ltd. at approximately 6:00 p.m. on the Last Trading Day
Cash Settlement Value	Final Settlement Price multiplied by Contract Size divided by 100 (e.g. Final Settlement Price x (RMB500,000) / 100)
Trading Fee (per contract per side)	Exchange Fee <span style="float: right;">RMB5.00</span>  The amount indicated above is subject to change from time to time
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance
Commission Rate	Negotiable

## REGULATIONS FOR TRADING BOND FUTURES CONTRACTS

### INTERPRETATION

001 These Regulations may be cited as the Regulations for trading Bond Futures (hereinafter referred to as the "Regulations").

002 The Exchange Rules and the Clearing House Rules (referred to collectively as the "Rules") including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

"Bond Futures Contract"	an Exchange Contract subject to these Regulations;
"Bond Futures Market"	a Market subject to these Regulations;
"Buyer"	an HKCC Participant registered as the buyer of a Bond Futures Contract pursuant to the Clearing House Rules;
"Cash Settlement Value"	the amount required to be paid by a Buyer on the Final Settlement Day in satisfaction of its settlement obligations, the calculation of which is specified in the Contract Specifications;
"Closing Quotation"	the quotation established by the Clearing House at the end of a trading session for any Bond Futures Contract according to the applicable procedures as prescribed by the Clearing House from time to time;
"Contract Month"	in respect of any Bond Futures Contract, the month and year by which that contract is so designated by the Board for settlement under these Regulations and in which settlement of that contract must be made in accordance with these Regulations;
"Contract Size"	for any Bond Futures Contract, the size so designated in the applicable Contract Specifications;
"Contracted Price"	the price as specified in the Contract Specifications;
"Contracted Value"	the value as specified in the Contract Specifications;

“Final Settlement Day”	the day on which a Bond Futures Contract must be settled as specified in the Contract Specifications;
“Final Settlement Price”	the price as determined by the Clearing House pursuant to Regulation 012 or the Chief Executive pursuant to Regulation 013;
“Minimum Fluctuation”	the minimum allowable movement in the price of any Bond Futures Contract as specified in the Contract Specifications; and
“Seller”	an HKCC Participant registered as the seller of a Bond Futures Contract pursuant to the Clearing House Rules.

### **APPLICABLE RULES AND REGULATIONS**

003 Trading in Bond Futures Contracts shall be subject to and governed by the Rules and these Regulations.

### **CONTRACT SPECIFICATIONS**

004 The terms and conditions for each Bond Futures Contract shall include, among other things:

- (a) Cash Settlement Value;
- (b) Commission Rate;
- (c) Contract Months;
- (d) Contract Size;
- (e) Contracted Price;
- (f) Contracted Value ;
- (g) Final Settlement Day;
- (h) Final Settlement Price;
- (i) Large Open Positions;
- (j) Last Trading Day;
- (k) Maximum Fluctuation;
- (l) Minimum Fluctuation;
- (m) Position Limits;
- (n) Price Quotation;
- (o) Settlement Currency
- (p) Settlement Method;
- (q) Trading Hours;
- (r) Trading Method; and
- (s) Underlying Bond.

005 Contract Specifications for Bond Futures Contracts may be changed from time to time by the Exchange Board in consultation with the Commission. Exchange Participants shall be given notice of a change in the Contract Specifications prior to implementation of the change.



## **TRADING**

- 006 Bids and offers for Bond Futures Contracts shall be expressed in multiples of the Minimum Fluctuation. The Minimum Fluctuation shall be as prescribed in the Contract Specifications from time to time.
- 007 Trading in Bond Futures Contracts shall be carried out through HKATS in accordance with the Rules, these Regulations and the applicable Procedures.
- 008 The Bond Futures Market shall be open for trading in Bond Futures Contracts on every Trading Day subject to the Rules. Trading hours shall be as prescribed by the Board from time to time.
- 009 Subject to the Exchange Rules, trading in Bond Futures Contracts shall cease at the close of trading hours on the applicable Last Trading Day or at such other times as specified by the Board.
- 010 All disputes as to bids, offers, acceptances or withdrawals during trading sessions shall be governed by the Exchange Rules.

## **FINAL SETTLEMENT PRICE**

- 011 The Exchange shall, in conjunction with the Clearing House, announce the Final Settlement Price as soon as practicable after it has been determined.
- 012 Subject to Regulation 013, the Final Settlement Price of a Bond Futures Contract shall be a number determined by the Clearing House in accordance with the Contract Specifications.
- 013 If, in the opinion of the Chief Executive, circumstances are developing or have developed which are capable of preventing the calculation of a Final Settlement Price, or which may render a Final Settlement Price unrepresentative of the level of prices of the underlying bond at the close of trading hours on the Last Trading Day, then the Chief Executive, after consultation with the Commission, may on his own or in conjunction with the Clearing House, take such steps as he deems appropriate to enable a Final Settlement Price to be determined.

## **CASH SETTLEMENT**

- 014 Trading in Bond Futures Contracts shall be conducted in and confined to Exchange Contracts for the delivery, by cash settlement on the Final Settlement Day, of an amount in the Settlement Currency equal to the difference between the Cash Settlement Value and the Contracted Value of such Bond Futures Contracts.
- 015 (a) The obligations of the Buyer and the Seller under a Bond Futures Contract are as follows:-
- (i) If the Contracted Value is less than the Cash Settlement Value, the Seller shall be liable to pay to the Clearing House the difference between that Contracted Value and the Cash Settlement Value.

- (ii) If the Contracted Value is greater than the Cash Settlement Value, the Buyer shall be liable to pay to the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
  - (b) The rights of the Buyer and the Seller under a Bond Futures Contract are as follows:-
    - (i) If the Contracted Value is less than the Cash Settlement Value, the Buyer shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
    - (ii) If the Contracted Value is greater than the Cash Settlement Value, the Seller shall be entitled to receive from the Clearing House the difference between that Contracted Value and the Cash Settlement Value.
- 016 The obligations and rights of the Buyer and the Seller shall be satisfied by cash settlement of an amount, in the Settlement Currency, by or with the Clearing House on the Final Settlement Day in accordance with the Clearing House Rules.

## **REGISTRATION**

- 017 All Exchange Participants trading in Bond Futures Contracts shall comply with applicable Procedures. The Clearing House Rules shall govern the registration and clearing of Bond Futures Contracts.

## **MARGIN AND VARIATION ADJUSTMENTS**

- 018 Clearing House margin, additional margin and variation adjustments shall be set, collected or distributed in respect of Bond Futures Contracts in accordance with the Clearing House Rules.

## **COMMISSION AND LEVIES**

- 019
- (a) The rate of commission for each Bond Futures Contract shall be negotiable between an Exchange Participant and its Client.
  - (b) Every Bond Futures Contract shall be subject to an Exchange Fee which shall become immediately payable to the Exchange upon registration of the Contract with the Clearing House. The Exchange Fee shall be paid to the Exchange through the Clearing House and shall be set by the Exchange Board from time to time.
  - (c) All levies required to be paid pursuant to the Ordinance in consequence of trading in Bond Futures Contracts shall be paid to the Exchange through the Clearing House in such manner as the Exchange shall, in consultation with the Commission, prescribe from time to time.

## **POSITION LIMITS**

- 020 (a) The Chief Executive may impose Position Limits on Exchange Participants and their Clients as provided for in the Rules and such Position Limits shall be specified in the Contract Specifications.
- (b) Subject to Rules 629(e) and 630(e), the Chief Executive may, on a case-by-case basis, increase, decrease or remove the Position Limits imposed pursuant to the Rules by giving notice in writing to the Clearing House, the Exchange Participant and the Commission.
- (c) The Chief Executive shall not be required to give any reasons for his decision to increase, decrease or remove the Position Limits pursuant to the Rules.
- (d) Failure to comply with the Position Limits is governed by the Rules.
- (e) Subject to Rules 629(e) and 630(e), the Chief Executive may approve higher Position Limits for liquidity providers.

*Note: The Commission may also impose contract limits under the Ordinance.*

## **LARGE OPEN POSITIONS**

- 021 (a) The Exchange Board shall specify Large Open Positions in the Contract Specifications as provided for in the Exchange Rules.
- (b) Exchange Participants shall report Large Open Positions to the Chief Executive or the designated HKEX staff as required by the Rules and the applicable Procedures.

## **NON-COMPLIANCE**

- 022 An Exchange Participant which does not comply with these Regulations, the Rules and the applicable Procedures in any respect (including, without limitation, settlement with the Clearing House on the Final Settlement Day) shall be liable to disciplinary proceedings under the Exchange Rules.

## **LIQUIDITY PROVISION**

- 023 Notwithstanding anything contained in the Rules, the Exchange may from time to time, in its absolute discretion, appoint Exchange Participants to provide liquidity for Bond Futures Contracts in the Bond Futures Market at any time and on such terms and subject to such conditions as the parties may agree. For the avoidance of doubt, the terms and conditions of any appointment, including the liquidity providing activities, the liquidity providing arrangements, the liquidity providing requirements, the Exchange Fee concessions and/or other incentives upon meeting the liquidity providing requirements, are subject to negotiation between the Exchange and the relevant Exchange Participant and may therefore vary between different appointments of different Exchange Participants.

## **MAXIMUM FLUCTUATION**

- 024        The Chief Executive, after consultation with the Commission and the Exchange Board, may from time to time specify a Maximum Fluctuation. Whenever a Maximum Fluctuation has been specified, trading can only occur at prices within the limit of the Closing Quotation from the last trading session or a reference price specified by the Exchange, plus or minus the Maximum Fluctuation.

**TRADING PROCEDURES FOR BOND FUTURES TRADED ON THE  
AUTOMATED TRADING SYSTEM OF THE EXCHANGE (“HKATS”)**

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These procedures shall be read in conjunction with and shall form part of the Exchange Rules. Unless otherwise indicated, the terms used herein shall have the same meanings as contained in the Exchange Rules and/or the Clearing House Rules.

## **CHAPTER 1**

### **TRADING**

#### *1.1 Method of Trading*

Trading in Bond Futures Contracts shall be conducted exclusively through the Automated Trading System of the Exchange (“HKATS”) in accordance with the Exchange Rules, the Clearing House Rules, applicable Regulations, Contract Specifications and Procedures, the Clearing House Procedures and the HKATS User’s Guide.

## **CHAPTER 2**

### **ELIGIBILITY TO TRADE BOND FUTURES CONTRACTS**

#### **2.1 *Bond Futures Trading Privileges***

An Exchange Participant must be approved by and registered with the Exchange to trade through HKATS.

An Exchange Participant must be approved by the Exchange to trade Bond Futures Contracts through HKATS.

## CHAPTER 3

### DEALING FUNCTIONALITY

#### 3.1 *Order Entry*

An Order in a Bond Futures Contract may be entered into HKATS only during the trading hours and, where applicable, the pre-opening session (in respect of Limit Orders and Auction Orders) and the pre-open allocation session (in respect of Auction Orders only) of the Pre-Market Opening Period for the Bond Futures Contract.

#### 3.2 *Automatic Cancellation of an Order due to Suspension of Trading or Site Failure*

An Order resident on the Central Orderbook for a Bond Futures Contract will be canceled upon the suspension of trading in that Bond Futures Contract.

Notification of a suspension of trading in a Bond Futures Contract will be made on the HKATS Market Message display window.

Notification of the resumption of trading in a suspended Bond Futures Contract will be made on the HKATS Market Message display window not less than ten (10) minutes, or such shorter period as the Chief Executive may determine, prior to the resumption of trading in that Bond Futures Contract.

An Order automatically canceled due to the suspension of trading in a Bond Futures Contract may be re-entered into HKATS upon the resumption of trading in that Bond Futures Contract.

In the event of a system failure at an Exchange Participant's site, the Exchange Participant shall contact the Exchange at the HKATS hotline listed in the HKATS User's Guide and advise the Exchange if it wishes to have all its outstanding Orders canceled or remain activated. An Order of an Exchange Participant resident on the Central Orderbook will be inactivated 10 minutes after the occurrence of a system failure at the Exchange Participant's site unless the Exchange Participant has requested the Exchange to keep the Order activated within 10 minutes of the site failure. The Exchange shall not be



liable to an Exchange Participant for canceling or keeping activated any Order of the Exchange Participant at its instructions or purported instructions.

An Exchange Participant affected by a system failure at its site may arrange with other Exchange Participants to handle new Orders and subsequently reallocate resulting trades to the corresponding accounts through external allocation according to the Clearing House Rules.

### 3.3 *Order Amendments and Cancellations*

An Order in an Bond Futures Contract entered into the Central Orderbook on behalf of a Client or the Exchange Participant and designated a particular Order number may be amended or canceled provided that the amendment or cancellation is made in compliance with the instructions of that Client or the Exchange Participant, as the case may be, in respect of that particular Order.

Exchange Participants may amend, cancel or inactivate Orders resident in the Central Orderbook (“Valid Orders”) only during trading hours and the period of 30 minutes before the opening of each trading session if the Pre-Market Opening Period is not applicable or the pre-opening session of the Pre-Market Opening Period if the Pre-Market Opening Period applies.

A Valid Order that is amended in connection with a reduction in size, a change in the duration of validity, or modification of optional (“free”) text information shall not affect the time priority of the original Valid Order.

A Valid Order that is amended in connection with price or an increase in size: (i) will result in the loss of time priority of the original Valid Order if the amendment is made during trading hours; and (ii) will result in the loss of time priority of the original Valid Order if the amendment is made during the Pre-Market Opening Period (where the Pre-Market Opening Period is applicable). Amendment in connection with price or an increase in size of a Valid Order is not allowed during the 30 minute period before the opening of a trading session (where the Pre-Market Opening Period is not applicable).

### 3.4 *Execution of Standard Combinations*

- 3.4.1 In the event an Order for a spread or strategy combination listed in the “Series/Combinations” window of HKATS (“standard combination”) involving Bond Futures Contracts is entered into HKATS, HKATS will automatically generate derived Orders (“Bait Orders”) based on the prevailing market price of each individual market series comprising the standard combination and the price of the Order for the standard combination. Prices of these Bait Orders will be automatically adjusted according to price movement in the individual market series comprising the standard combination.
- 3.4.2 The ranking of Bait Orders shall be in accordance with the time the Bait Orders are generated. A Bait Order whose price is automatically adjusted according to the price movement and/or increase in quantity of the individual market series comprising the standard combination shall be treated as if the Bait Order were newly generated.
- 3.4.3 In the event an Order for a standard combination is executed separately as Bait Orders in the individual market series, each Bond Futures Contract comprising the standard combination will be matched at the prevailing market price of the individual market series. Any matched Contracts will be recorded in HKATS as separate trades in the individual market series.
- 3.4.4 In the event an Order for a standard combination is executed in the standard combination market and not as Bait Orders in the individual market series, the executed price of the standard combination may not necessarily correspond with the prevailing market prices of the Bond Futures Contracts comprising the standard combination. The matched standard combination will be recorded in HKATS as separate trades in the individual market series.

### 3.5 *Pre-Market Opening*

- 3.5.1 The pre-market opening algorithm of HKATS shall apply to such Bond Futures Contract(s) as the Exchange may from time to time notify to Exchange Participants.

- 3.5.2 The Pre-Market Opening Period shall comprise (i) the pre-opening session; (ii) the pre-open allocation session; and (iii) the open allocation session, the duration of which may be changed by the Exchange and notified to Exchange Participants from time to time at its discretion.
- 3.5.3 During the pre-opening session, Limit Orders and Auction Orders may be entered into HKATS and may be amended or canceled subject to the provisions of procedure 3.3. During the pre-open allocation session, only Auction Orders may be entered into HKATS. No Orders may be amended or canceled during the pre-open allocation session. During the open allocation session, no Orders may be entered into HKATS and no Orders may be amended or canceled. The Calculated Opening Price (COP), if any, will be calculated, and Orders will be matched subject to Rule 1215 or converted into Limit Orders or inactive Orders in accordance with the procedures set forth below during the open allocation session.
- 3.5.4 A COP will be calculated only if the highest bid price of the Limit Orders entered into HKATS is greater than or equal to the lowest ask price of the Limit Orders. If more than one price satisfies this criterion, the COP shall be calculated according to the following rules:
- 3.5.4.1 The COP shall be one of the bid or offer prices falling at or within the highest bid price and the lowest ask price of the Limit Orders;
  - 3.5.4.2 The COP shall be the price at which the number of contracts matched would be maximized;
  - 3.5.4.3 If more than one price satisfies the rule in procedure 3.5.4.2, the COP shall be the price at which the normal order imbalance is the lowest. For the purposes of this procedure, normal order imbalance is defined as the difference between the number of bid contracts and the number of ask contracts that can be matched at a certain price;

- 3.5.4.4 If more than one price satisfies the rule in procedure 3.5.4.3, the COP shall be the price at which (i) the aggregate number of contracts comprising the bid Auction Orders and bid Limit Orders at or above that price or (ii) the aggregate number of contracts comprising the ask Auction Orders and ask Limit Orders at or below that price would be the highest;
- 3.5.4.5 If more than one price satisfies the rule in procedure 3.5.4.4, (i) the COP in the case of the morning trading session shall be the price closest to the previous Closing Quotation (as defined in the Clearing House Rules) of the relevant Bond Futures Contract and (ii) the COP in the case of the afternoon trading session shall be the price closest to the last traded price if the relevant Bond Futures Contract was traded in the immediately preceding morning trading session or if there was no trading in the immediately preceding morning trading session, the rule in this procedure 3.5.4.5 shall be disregarded and the calculation of the COP shall proceed in accordance with the rule set forth in procedure 3.5.4.6;
- 3.5.4.6 If more than one price satisfies the rule in procedure 3.5.4.5, the COP shall be the highest of such prices.
- 3.5.5 If a COP is calculated, Auction Orders and Limit Orders with ask prices at or below, or bid prices at or above, such determined COP shall be matched at the COP to the extent possible and any unmatched Auction Order shall be converted into a Limit Order with a bid or ask price equal to the COP immediately before Market open. The ranking of such converted Auction Orders and Limit Orders at the COP shall be in accordance with the time the converted Auction Orders and Limit Orders were originally entered into HKATS.
- 3.5.6 If no COP can be calculated according to procedure 3.5.4 but bid and ask prices exist, all bid Auction Orders will be converted immediately before Market open into bid Limit Orders at the highest bid price and all ask Auction Orders will be converted immediately before Market open into ask Limit Orders at the lowest ask price of the Limit Orders

entered into HKATS. The ranking of such converted Auction Orders and Limit Orders with the highest bid price or lowest ask price, as the case may be, shall be in accordance with the time the Auction Orders and Limit Orders were originally entered into HKATS.

3.5.7 If no COP can be calculated according to procedure 3.5.4 and no bid price or ask price exists, all bid Auction Orders (if no bid price exists) and all ask Auction Orders (if no ask price exists) will be converted into inactive Orders immediately before Market open.

3.5.8 The conduct of the Pre-Market Opening Period shall be under the surveillance of designated HKATS Officials. A designated HKATS Official may cancel any Order entered into HKATS during the Pre-Market Opening Period which in his opinion is a manifest error and which would disproportionately affect the Calculated Opening Price.

### 3.6 *Creation, Execution and Deletion of Tailor-Made Combinations*

3.6.1 Exchange Participants can define and create a Tailor-Made Combination involving such Bond Futures Contracts and during such trading sessions as the Exchange may from time to time notify Exchange Participants using the tailor-made combination function of HKATS. Once created, a Tailor-Made Combination can be traded like a normal market series.

3.6.2 Exchange Participants shall ensure that the following criteria are satisfied when creating a Tailor-Made Combination:

- (i) the Tailor-Made Combination is one of the strategy combinations prescribed by the Exchange;
- (ii) the number of futures contract month (“legs”) comprising the strategy is within the range prescribed by the Exchange;
- (iii) the ratio between these legs is within the range prescribed by the Exchange;
- (iv) the contract sizes of these legs must be identical;

- (v) the Tailor-Made Combination is not at that time prescribed as a standard combination; and
  - (vi) an active Order is submitted at the same time as the creation of the Tailor-Made Combination.
- 3.6.3 Tailor-Made Combinations created on a Trading Day will not be carried forward to the next Trading Day.
- 3.6.4 The executed price of a trade in a Tailor-Made Combination may not necessarily correspond with the prevailing market prices of the Bond Futures Contracts comprising the Tailor-Made Combination. The matched trade in the Tailor-Made Combination will be recorded in HKATS as separate trades in the individual market series.
- 3.6.5 The Exchange may from time to time prescribe a maximum number of Tailor-Made Combinations that can be listed on HKATS on a Trading Day and a throughput rate for each HKATS connection to create Tailor-Made Combinations to protect the integrity of HKATS and to ensure the proper operation of the Markets.
- 3.6.6 The Exchange may at any time at its sole discretion limit the number of Tailor-Made Combinations an Exchange Participant may create on a Trading Day by notice to the Exchange Participants.
- 3.6.7 The Exchange reserves the right to delete any Tailor-Made Combination listed on HKATS and cancel any Order for that Tailor-Made Combination at any time if:
- (i) the Tailor-Made Combination does not satisfy the criteria as prescribed in procedure 3.6.2;
  - (ii) there is no active Order for the Tailor-Made Combination;
  - (iii) the total number of Tailor-Made Combinations listed on HKATS exceeds the maximum number prescribed and notified to Exchange Participants by the Exchange from time to time;

- (iv) the Tailor-Made Combination is created by an Exchange Participant which has exceeded the limit imposed on it under procedure 3.6.6; or
- (v) the Exchange determines that the Tailor-Made Combination is inappropriate.

3.6.8 Any trade in a Tailor-Made Combination that is not created in accordance with the criteria as prescribed in procedure 3.6.2 will not be considered as a valid trade by the Exchange and, notwithstanding any provisions of the Exchange Rules or the Clearing House Rules, will not be registered or cleared by the Clearing House. In the event that an Exchange Participant has been notified by the Exchange that a Tailor-Made Combination trade is invalid on the Trading Day during which the Tailor-Made Combination trade is executed, the Exchange in conjunction with the Clearing House will, without being required to give further notice to the Exchange Participant, delete the invalid Tailor-Made Combination trade from HKATS and the “deal file” of the clearing system as if the Tailor-Made Combination trade had never been executed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange or the Clearing House directly or indirectly in connection with the deletion of any invalid Tailor-Made Combination trade.

## **CHAPTER 4**

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