



HKEX
香港交易所

編號

Ref. No.: EFIC/DT/178/14

日期

Date: 26 November 2014

香港期貨交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

Hong Kong Futures Exchange Limited

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

通告 CIRCULAR

事項

Subject: Strengthening Large Open Position Monitoring for Stock Index Futures and Options

查詢

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Participants please note that the Exchange will strengthen the monitoring of Large Open Position (LOP) in stock index futures and options products. Pursuant to HKFE Rule 628(c), Participants, with open position held for their own account or any client **exceeding 60%** of the position limit of stock index futures and options products with the same underlying index, will be required to report all outstanding positions in the products concerned to the Exchange, including those positions that are below the LOP reporting threshold. The implementation date will be on 1 June 2015.

For avoidance of doubts, existing LOP reporting requirement and procedures will be unchanged. An illustration of the new LOP reporting requirement is set forth in Attachment I for reference.

Participants should notify their clients on the new LOP reporting requirement. Please ensure that your back office systems are ready for a smooth operation in handling the reporting requirement and all your staff should be fully aware of the new requirement.

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

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Illustration of New Large Open Position reporting requirement

Under Hong Kong Futures Exchange (“HKFE”) Rule 628, an Exchange Participant (“EP”) holding positions in excess of the reporting level for its own account or any client shall submit a Large Open Position (“LOP”) report to HKFE, and continue to file a LOP report for as long as the EP holds positions in excess of the reporting level.

Under the new LOP reporting requirement, an EP is required to report to HKFE all outstanding positions of Hang Seng Index (HSI) or H-shares Index (HHI) products if the open positions holding for its own account or any client exceeding 60% of the position limit of such products, including those positions that are below the LOP reporting threshold. Please find below an example illustrating the new LOP reporting requirement as compared to the existing LOP reporting requirement:

Example: A HKFE EP, ABC Futures Ltd (“ABC”) has Client A.

Client A’s positions:

Products	Contract Month	Strike Price	Option Type	Long or Short	No. of Contracts	Position Delta ¹
HSIF	201408	-	-	Long	3,000	3,000
HSIF	201409	-	-	Long	400	400
HSIO	201409	24600	Put	Short	2,500	946
HSIO	201409	25000	Call	Long	400	193
HSIO	201412	24000	Call	Long	3,000	2,005
					Total delta	6,544

¹ Position Delta = No. of Contracts x delta per Contract based on the DCASS report “RP009 – Series Greek Data File” available from DCASS terminal

(a) Current reporting requirement

ABC is required to report positions in excess of the reporting level held for Client A (i.e. > 500 contracts in any one futures contract month / option series):

Product Code	EP Code	A/C No	Contract Month	Strike	Option Type	L or S	Contract No
HSIF	ABC	z_123456	201408			L	3000
HSIO	ABC	z_123456	201409	24600	P	S	2500
HSIO	ABC	z_123456	201412	24000	C	L	3000

(b) New reporting requirement

As the open positions held by ABC for Client A exceeded 60% of the position limit of HSI products (60% x 10,000 delta = 6,000 delta), ABC is required to report all the positions in HSI products of Client A, including those positions that are below the LOP reporting threshold:

Product Code	EP Code	A/C No	Contract Month	Strike	Option Type	L or S	Contract No
HSIF	ABC	z_123456	201408			L	3000
HSIO	ABC	z_123456	201409	24600	P	S	2500
HSIO	ABC	z_123456	201412	24000	C	L	3000
HSIF	ABC	z_123456	201409			L	400*
HSIO	ABC	z_123456	201409	25000	C	L	400*

*Additional positions reported in LOP report