



HKEX
香港交易所

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香港期貨交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

Hong Kong Futures Exchange Limited

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

通告 CIRCULAR

事項

Subject: **Update on After-Hours Futures Trading**

查詢

Enquiry: **HKATS Hotline 2211 6360**

Reference is made to the circular (ref: DMD/022/13) dated 14 February 2013 regarding the introduction of After-Hours Futures Trading (AHFT).

Regulatory Matters

Participants are required to note that Securities and Futures Commission of Hong Kong (“SFC”) has updated the FAQs on the regulatory requirements of Licensed Persons in relation to the reporting of large open positions and the issuance of client statement for AHFT trades. For Participants’ reference, please refer to these FAQs set forth in the Attachment I. Participants should contact the SFC regards regulatory requirements in relation to the participation of AHFT.

Margin Procedures

Reference is made to the HKFE Rule 617 on minimum margin requirements, including the circular dated 3 March 1997 (Ref. No. AUD/9703001) on Guidelines on Margin Procedures for the Purpose of Minimum Requirement pursuant to Rule 617 (March 3, 1997) and circular dated 27 August 1998 (Ref. No. CIR/CMP/980310) on Day Trade Margin Requirements. In view of the introduction of AHFT, Participants are required to note that:

1. Initial Margin Requirements - In determining whether an account has sufficient excess net equity to meet the initial margin requirements, equity shall be calculated as of the close of the T Session of the relevant Market. In respect of established clients who have demonstrated a record of consistently meeting margin obligations and maintaining a sound financial position and who have not historically transacted exclusively in day trades, a call for initial margin may be cancelled if the positions to which the initial margin call relates are closed out on the same trading session.

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2. Established Clients - Established clients shall not be allowed to establish new position when they have outstanding initial margin as a result of margin calls made from brokers.
3. Day trade definition – A day trade is establishment and closure of a futures or options position within the same T Session or within the same T+1 Session.
4. Maintenance Margin Requirements - Maintenance margin is required on each and every open position held at the end of each T Session. In determining whether an account has sufficient net equity to meet the maintenance margin requirement, equity shall be calculated as of the close of the T Session. The outstanding initial margin call for the T+1 Session of the previous business day should be included in determining whether the equity in the account is above the maintenance margin level.

Market Monitoring

Participants are reminded to monitor their staff and clients' trading activities at all times including the T+1 Session to prevent any misbehavior that may affect the orderly trading of the market. The Exchange will step up monitoring of the market and may refer any suspicious or irregular trading activities to the SFC for investigation, if it deems necessary.

Trading Operational Matters

1. Emergency Contacts and Authorized Signatories List

All participants who intend to participate in AHFT, including those who intend to participate after the Stabilization Period (see below), are required to submit a list of emergency contacts and authorized signatories for AHFT as set forth in Attachment II and III to the Exchange by fax to 2509 0724 or 2877 0017 or email to ClickSupport@hkex.com.hk **at least two weeks before commences trading.**

2. Stabilization Period at Launch

A two-week Stabilization Period from 8 to 19 April 2013 inclusively will be implemented at launch. During this period, only the Participants who complied with the following requirements are allowed for AHFT:

- (a) Complete all related system tests for trading and clearing systems, as prescribed by the Exchange, **including certification and simulation test.**
- (b) Complete and return the AHFT Launch Participation Registration Form (Attachment IV) **on or before 15 March.**

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After the end of the two-week Stabilization Period, participants who completed the following requirements are allowed for conducting AHFT:

- (a) Complete and pass the certification test (only for participants using OAPI programs)
- (b) Complete and return the attached AHFT Registration Form (Attachment V) to the Exchange by fax to 2509 0724 or 2877 0017 or email to ClickSupport@hkex.com.hk **at least two business days before commences trading.**

Marketing Activities

To support Participants in marketing AHFT to their clients, the Exchange will provide the bilingual promotional items including flyers, information sheets and images of promotional web banners. Participants who are interested to participate in promotional activities with the promotional items, please contact Mr. Anthony Wong at 2840 3759 or by e-mail to AnthonyWCWong@hkex.com.hk.

P C Wong
Vice President
Derivatives Trading
Global Markets Division

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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SFC's FAQs on the regulatory requirements of Licensed Persons in relation to the reporting of large open positions and the issuance of client statement for AHFT trades

Reporting of Large Open Positions

Question:

Hong Kong Futures Exchange ("HKFE") will introduce an after-hours trading session ("AH Session") after the close of the regular trading session. Under the Securities and Futures (Contracts Limits and Reportable Positions) Rules ("CLR"), any person who holds or controls a reportable position in futures contracts or stock options contracts must lodge a written notice of that position with HKFE or SEHK within one business day following the day on which the person holds or controls the position. For reportable positions arising from trading in the AH Session, intermediaries may have operational difficulties in lodging notices of these positions (both for clients and for their own accounts) with HKFE within one business day. As trades transacted in the AH Session will be registered by HKFE as the following day's trades, can these trades be combined with trades transacted in the regular trading session on the following business day for reporting purposes?

Answer:

After considering the operational difficulties faced by intermediaries, the SFC will regard it as acceptable for trades transacted in the AH Session to be combined with trades transacted in the regular trading session on the following business day for the purpose of meeting the requirements for reportable positions under the CLR. Nevertheless, intermediaries should monitor the positions during the AH Session to ensure that they comply with the prescribed limits under the CLR and the position limits established by HKFE.

Intermediaries which provide after-hours futures trading services in HKFE products should inform their clients about this reporting arrangement.

Please refer to:

<http://www.sfc.hk/web/EN/faqs/market-infrastructure-and-trading/#6>

Contract Notes, Statements of Accounts and Receipts Rules

Question:

Hong Kong Futures Exchange (“HKFE”) will introduce an after-hours trading session (“AH Session”) after the close of the regular trading session (“R Session”). Under HKFE’s operating model of after-hours futures trading (“AHFT”), all trades transacted in the AH Session will be registered with the clearing house as the following day’s trades (“T+1 trades”) and cleared together with trades transacted in the R Session on that following business day. In the circumstances, can an intermediary report the trades transacted in AH Session as T+1 trades in contract notes, daily and monthly statements of account?

Answer:

In order to facilitate intermediaries to participate in AHFT and having regard to the practices in major overseas futures markets in respect of after-hours trades, the SFC will regard it as acceptable for intermediaries to report trades transacted in the AH Session as T+1 trades in contract notes, daily and monthly statements of account prepared under the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules. Intermediaries which provide AHFT services and intend to report trades transacted in the AH Session as T+1 trades in contract notes, daily and monthly statements of account should inform their clients accordingly.

Please refer to:

<http://www.sfc.hk/web/EN/faqs/intermediaries/supervision/contract-notes-statements-of-accounts-and-receipts-rules/2013-02-20.html#1>

HKATS EXCHANGE PARTICIPANT CONTACT LIST

To	:	Derivatives Trading Hong Kong Futures Exchange Ltd (A wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd)	
Email	:	ClickSupport@hkex.com.hk	
Fax No.	:	(852) 2509 0724 / 2877 0017	Date: <input style="width: 100px;" type="text"/>

Exchange Participant	:	<input style="width: 100%;" type="text"/>		
Submitted by	:	<input style="width: 100%;" type="text"/>		
Title	:	<input style="width: 250px;" type="text"/>	Contact No.	<input style="width: 150px;" type="text"/>
Market*	:	Stock Index & Equity Futures / Stock Index Options / Interest Rate Futures / Currency Futures		

Please provide details of the following contact person (as required pursuant to the HKFE – HKATS Subscription and License Agreement):

	Name	Tel. No.	Fax No.	Mobile No.	Trading Hours	
					Regular	AHFT
Administration	<input style="width: 150px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
	E-Mail	<input style="width: 100%;" type="text"/>				
Trading (1)	<input style="width: 150px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
	E-Mail	<input style="width: 100%;" type="text"/>				
Trading (2)	<input style="width: 150px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
	E-Mail	<input style="width: 100%;" type="text"/>				
Technical (1)	<input style="width: 150px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
	E-Mail	<input style="width: 100%;" type="text"/>				
Technical (2)	<input style="width: 150px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
	E-Mail	<input style="width: 100%;" type="text"/>				

**Should there be any changes to the information provided in this form, please notify HKFE immediately*
Please select the appropriate type**

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

6/F Two Exchange Square
 8 Connaught Place
 Central
 Hong Kong
 (Ref: DM)

Fax: 25090724 /28770017
 Hotline: 22116360

AUTHORIZED SIGNATORIES FOR AFTER-HOURS FUTURES TRADING ONLY

Particulars of Exchange Participant	
Exchange Participant	_____
Contact Person	_____
Phone No.	_____ Date _____

Please check only one of the following boxes:

- initial submission for new Exchange Participant
- replacement of previously submitted form
- supplement to previously submitted form

Person(s) listed below is/are authorized to sign on our behalf for the instructions specified.

	Signatory's Name (Please Print)	Specimen Signature	Position	Instruction ^(Note 1) (choose from "a" to "c")
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Note 1

- a. All trading related forms (singly/jointly*)
- b. All HKATS equipment related forms (singly/jointly*)
- c. All OAPI related forms (singly/jointly*)

**delete the inappropriate one*

_____ Print: Name of Signatory
 _____ Signature of Responsible Officer with company chop

- Please return this form to HKFE with the Minutes of the Board of the Exchange Participant stating that persons listed in this form are authorized to give the instructions specified on behalf of the Exchange Participant.
- Should there be any changes in this form, please notify HKFE immediately.

Appendix - Examples of Forms in Categories A - C

Category A - All trading related forms

- Form PRF Request for resetting password
- Form PLF Request for re-issuing password notification letter
- Form SOF Request for rental of CLICK workstation in SOS centre
- Form UPR Request for correction of executed prices of combination trades
- Form No. 7 Application for correction of erroneous trade
- Form BHF Request for on-behalf-of processing
- Form OH-2 Confirmation form for order(s) handling – cancel order
- Form ETR Error trade report request form
- Form ETC Error trade cancellation agreement request form

Category B - All HKATS equipment related forms

- - Network gateway forms
- - CLICK workstation forms
- Form TLF Request for login / transaction test outside office hours

Category C - All OAPI related forms

- Form OA Application form for OAPI
- Form OP Application form for OAPI connection to HKATS
- Form TEF Request for access to HKATS testing environment
- Form OCF Request for OAPI certification test

* These examples of forms in Categories A to C are not exhaustive and they are subject to change by HKFE from time to time.

AHFT Launch Participation Registration Form

(Completed form should be returned to HKEx by fax to 2509 0724 or 2877 0017 or by email to ClickSupport@hkex.com.hk **on or before 15 March 2013**)

Part 1 - Participant Information	
Participant Name: _____	Customer Code: _____
Responsible Officer: _____	
Contact Person for Trading: _____	
Contact Phone No: _____	Email: _____
Contact Person for Clearing: _____	
Contact Phone No: _____	Email: _____

Part 2 - Confirmation of Readiness		
A. Trading Readiness (applicable to Exchange Participants only)		
<input type="checkbox"/> We confirm that all our front office systems and operational procedures have passed the related system testing(s), including simulation tests and OAPI certification, prescribed by HKEx and are ready for conducting AHFT business starting from the first day of launch.		
<i>Trading Application(s) for AHFT</i>		
Click <input type="checkbox"/>	OAPI(s) <input type="checkbox"/>	OAPI program(s) that have been modified for handling AHFT Program Name(s): 1) _____ 2) _____ 3) _____ 4) _____ Date to complete Simulation Test: _____
B. Clearing Readiness (applicable to Clearing Participants only)		
<input type="checkbox"/> We confirm that all our clearing and operational procedures have passed the related system testing(s), including the simulation tests and OAPI certifications, prescribed by HKEx and are ready for AHFT business starting from the first day of launch.		
<i>Clearing Application(s) for AHFT</i>		
DCASS Terminal <input type="checkbox"/>	OAPI(s) <input type="checkbox"/>	OAPI program(s) that have been modified to handle AHFT Program Name(s): 1) _____ 2) _____ 3) _____ 4) _____ Date to complete Simulation Test: _____

Part 3 - Declaration

We, _____
(Name of Exchange / Clearing Participant)

understand that we will only be permitted to trade / clear in the AHFT upon this registration, subject to our system and operational readiness, as prescribed by HKFE/HKCC.

agree to disclose our readiness of AHFT trading / clearing to the investing public.

Signature of Exchange Participant
With Company Chop : _____

Name of Signatory : _____

Signature of Clearing Participant
With Company Chop : _____

Name of Signatory : _____

Part 3 - Declaration

We, _____
(Name of Exchange / Clearing Participant)

understand that we will only be permitted to trade / clear in the AHFT upon this registration, subject to our system and operational readiness, as prescribed by HKFE/HKCC.

agree to disclose our readiness of AHFT trading / clearing to the investing public.

Signature of Exchange Participant
With Company Chop : _____

Name of Signatory : _____

Signature of Clearing Participant
With Company Chop : _____

Name of Signatory : _____