

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: Incentive Programs of CES China 120 Index Futures

查詢

Enquiry: Ms. Sky Luo 2211-6552 / Ms. Sharon Ang 2211-6151

The Exchange is pleased to announce the following three incentive programs for trading CES China 120 Index Futures (“CES120 Futures”) with effect from **3 June 2014**:

Incentive Programs	Program Period
1. Six-month Trading Fee Discount Program	3 June 2014 – 28 November 2014
2. Active Trader Program	3 June 2014 – 31 December 2015
3. New Liquidity Provider Program	3 June 2014 – 29 May 2015

1. Six-month Trading Fee Discount Program

During the Program Period as specified above, the trading fee of CES 120 Futures will be discounted from HK\$10 per contract per side to HK\$5 per contract per side. The trading fee discount will be applicable to all accounts (including house accounts, client accounts and market maker accounts used by Liquidity Providers (as defined below)) from the effective date.

2. Active Trader Program

During the Program Period as specified above, trading fee rebate for trading CES 120 Futures will be available to a limited number of traders approved by the Exchange (“Active Traders”). During the first six months of the Program Period as specified above (i.e. from 3 June 2014 to 28 November 2014), the trading fee rebate for CES 120 Futures for the Active Traders who

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meet the specified threshold will be HK\$3 per contract. Thereafter during the remaining Program Period (i.e. 29 November 2014 to 31 December 2015), the trading fee rebate will be HK\$8 per contract.

To be eligible for the trading fee rebate, an Active Trader will be required to meet a minimum volume threshold of 5% of the total monthly volume of CES 120 Futures contracts traded on the Exchange or an average daily volume of 50 CES 120 Futures contracts, whichever is higher, during a given month during the Program Period. The Exchange will measure an Active Trader's volume of CES 120 Futures contracts based on the trades cleared in the Individual Client Account assigned to the Active Trader only. Trading fee rebate will be credited to the relevant CCMS collateral account of each Active Trader who meets the above threshold before the end of the following month.

The Active Trader Program is now open for application. Applicants should complete and return the application form in the Appendix to this circular to dmttd@hkex.com.hk by email. The Exchange will determine applications on a first-come-first-served basis. The Exchange may consider the Active Trader's business nature and other relevant factors when evaluating and processing the application. Successful applicants should expect to receive a confirmation by email from the Exchange within 10 business days after receipt of their application form by the Exchange.

3. New Liquidity Provider Program

A new Liquidity Provider Program is now open for application. During the Program Period as specified above, 100% trading fee rebate and certain cash sponsorship for trading CES 120 Futures will be available to a limited number of liquidity providers appointed by the Exchange ("Liquidity Providers"). For the avoidance of doubt, the appointment of liquidity providers by the Exchange as disclosed in the circular dated 21 June 2013 (Ref. No. DMD/100/13) will be terminated with effect from 3 June 2014.

For details of the Active Trader Program and the new Liquidity Provider Program, please email clients@hkex.com.hk.

Participants are requested to notify their staff and all interested clients about these incentive programs for the CES 120 Futures.

P C Wong
Senior 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.

Application Form for Participation in CES China 120 Index Futures Active Trader Program

Exchange Participants may apply to participate in the CES China 120 Index Futures Active Trader Program (“Active Trader Program”) for the Exchange Participant itself or on behalf of any client of the Exchange Participant specified below (“Entity” or “Individual”) by completing this application form.

To: Hong Kong Futures Exchange Limited (“HKFE” or the “Exchange”)

Information of Exchange Participant:

Name of Exchange Participant:

**Information of the Entity or the Individual:
(if the Entity or the Individual instead of the Exchange Participant will be the Active Trader):**

Name of the Entity or the Individual:

Contact Person(s) (if applicable):

Telephone Number(s):

Email Address(s):

We confirm that all information provided in this application form is complete, true and accurate and agree to participate or, if applicable, procure the Entity or the Individual to participate in the Active Trader Program on the terms and conditions set out in this application form and the Circular of HKFE dated 12 May 2014 (Ref no: EFIC/DT/86/14).

1. *Active Trader Information.* We shall notify the Exchange in writing immediately of any material change in the information provided to the Exchange for the purpose of this application and if applicable, shall provide such additional information concerning the Entity or the Individual as the Exchange may request.
2. *Individual Client Accounts only.* The Exchange will assign the approved Active Trader a specified Individual Client Account. Such Individual Client Account shall be used for conducting trades of the Active Trader only and not those of any other person. Only trades conducted through the Individual Client Account assigned by the Exchange may be included in the volume measurement and/or receive the trading fee rebates as applicable.
3. *Minimum Volume Threshold and Trading Fee Rebate.* Trading fee rebates will be determined on a monthly basis. Should the Active Trader meet a minimum volume threshold of 5% of the total monthly volume of CES 120 Futures contracts traded on the Exchange or an average daily volume of 50 CES 120 Futures contracts, whichever is higher, during a given month during the Program Period (“Minimum Volume Threshold”), the trading fee rebate will be credited to the

relevant CCMS collateral account of the Active Trader before the end of the following month. The Exchange's calculation of the volume of CES 120 Futures contracts based on the trades cleared in the specified Individual Client Account of the Active Trader shall be final and conclusive. The Exchange reserves the right to revoke the approval of the Active Trader to participate in the Active Trader Program if the Active Trader fails to meet the Minimum Volume Threshold for a period of two consecutive calendar months.

4. *Disqualified Trades.* Volumes traded prior to the Exchange's approval of this application will not receive any trading fee rebate or counted towards the total number of CES 120 Futures contracts traded in the relevant month. The Exchange shall have the right to disqualify any trade which it considers ineligible from trading fee rebate under the Active Trader Program.
5. *Other Incentive Programs.* The CES 120 Futures contracts in the Individual Client Account assigned to the Active Trader cannot at the same time be counted towards or eligible for incentives under the New Liquidity Provider Program.
6. *Active Trader Program Subject to Modification, Change and Termination.* The Exchange may terminate the Active Trader Program or modify its terms, including the threshold requirements and incentives thereunder, in its sole discretion, by notice in writing to the Exchange Participant.
7. *Other acknowledgements.* The Exchange shall not be liable to the Active Trader or the Exchange Participant (if its Client instead of itself is the Active Trader) for any direct or indirect loss, damage or costs that may be incurred or suffered by the Active Trader or the Exchange Participant, whether in contract, tort or otherwise, in connection with its participation in the Active Trader Program.

Signature¹: _____

Name: _____

Title: Responsible Officer

Date: _____

¹ The signatory shall be a Responsible Person duly authorised by the Exchange Participant.

For HKFE's Use Only

Approved by HKFE

Signature: _____
For and on behalf of Hong Kong Futures Exchange Limited

Name: _____

Title: _____

Date: _____

Commencement Date of the Active Trader Program: _____

Individual Client Account assigned by HKFE: _____