

香港期貨交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

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

通告 CIRCULAR

Subject: Extension of Incentive Programs for RMB Currency Futures
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Reference is made to the circulars dated 28 December 2015 (Ref.: [BD/FIC/002/15](#)) and 3 February 2016 (Ref.: [MKD/FIC/002/16](#)) regarding the USD/CNH Futures incentive programs. Reference is also made to the circular dated 9 May 2016 (Ref.: [MKD/FIC/006/16](#)) on the waiver of EUR/CNH, JPY/CNH, AUD/CNH and CNH/USD Futures Exchange Fees.

The Hong Kong Futures Exchange Limited (the "Exchange" or "HKFE") is pleased to announce that the current incentive programs for RMB Currency Futures will be further extended as follows:

| | Product(s) | Current Program Period | Extended Program Period |
|---|---|---|--|
| 1. Active Trader Program | USD/CNH Futures | 4 January 2016 (Day Session) to 30 December 2016 (Day Session) | 30 December 2016 (T+1 Session) to 29 December 2017 (Day Session) |
| 2. Block Trade Incentive Program | USD/CNH Futures | 4 February 2016 (Day Session) to 30 December 2016 (Day Session) | 30 December 2016 (T+1 Session) to 29 December 2017 (Day Session) |
| 3. Exchange Fee Waiver | EUR/CNH, JPY/CNH, AUD/CNH, CNH/USD Futures | 30 May 2016 (Day Session) to 30 November 2016 (Day Session) | 30 November 2016 (T+1 Session) to 31 May 2017 (Day Session) |

1. Active Trader Program

The Exchange is pleased to extend the current Active Trader Program to 29 December 2017 (Day session).

| Active Trader Program | | | | | | | | | |
|--------------------------------|---|---|---|----------------------|---|-----------------------|--|-----------------------|---|
| Product | USD/CNH Futures | | | | | | | | |
| Extended Program Period | 30 December 2016 (T+1 Session) to 29 December 2017 (Day Session) | | | | | | | | |
| Eligible Participant | Existing and new Active Traders | | | | | | | | |
| Incentives | Trading fee rebate based on specified thresholds of average daily volume (“ADV”) met by the Active Traders | | | | | | | | |
| | <table border="1"> <tbody> <tr> <td>• ADV ≥ 20 contracts</td> <td>25% trading fee rebate (i.e. Trading fee of RMB 6 per contract after rebate)</td> </tr> <tr> <td>• ADV ≥ 40 contracts</td> <td>50% trading fee rebate (i.e. Trading fee of RMB 4 per contract after rebate)</td> </tr> <tr> <td>• ADV ≥ 100 contracts</td> <td>75% trading fee rebate (i.e. Trading fee RMB 2 per contract after rebate)</td> </tr> <tr> <td>• ADV ≥ 300 contracts</td> <td>100% trading fee rebate (i.e. Trading fee RMB 0 per contract after rebate)</td> </tr> </tbody> </table> | • ADV ≥ 20 contracts | 25% trading fee rebate (i.e. Trading fee of RMB 6 per contract after rebate) | • ADV ≥ 40 contracts | 50% trading fee rebate (i.e. Trading fee of RMB 4 per contract after rebate) | • ADV ≥ 100 contracts | 75% trading fee rebate (i.e. Trading fee RMB 2 per contract after rebate) | • ADV ≥ 300 contracts | 100% trading fee rebate (i.e. Trading fee RMB 0 per contract after rebate) |
| | • ADV ≥ 20 contracts | 25% trading fee rebate (i.e. Trading fee of RMB 6 per contract after rebate) | | | | | | | |
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An Active Trader can be an HKFE Participant trading through its House Account or any client represented by an HKFE Participant trading through an Individual Client Account. In determining whether an Active Trader meets the specified thresholds of ADV, the Exchange will measure the Active Trader’s volume of the USD/CNH Futures contracts based on the number of contracts cleared in the House Account of the HKFE Participant, or the Individual Client Account assigned only to that Active Trader trading through the relevant HKFE Participant. The trading fee rebate will be credited to the relevant CCMS collateral account of the Active Trader before the end of the following month.

Existing Active Traders will be informed separately about the details of any changes to the incentives for the extended period and will be automatically enrolled in the extended Active Trader Program effective from 30 December 2016 (T+1 Session), unless the existing Active Trader notify the Exchange that they do not wish to be so enrolled. For the avoidance of doubt, market makers of USD/CNH Futures are not eligible to enroll in the extended Active Trader Program.

2. Block Trade Incentive Program

The Block Trade Incentive Program will be extended until 29 December 2017 (Day Session). Under the program, incentives on part of the trading fee amount received by HKFE and market data related fees will be granted to HKFE Participants as approved by HKFE.

| Block Trade Incentive Program | |
|--------------------------------------|--|
| Product | USD/CNH Futures |
| Extended Program Period | 30 December 2016 (T+1 Session) to 29 December 2017 (Day Session) |
| Eligible Participant | HKFE Participant |
| Incentives | <ul style="list-style-type: none"> • 50% of trading fee amount received by HKFE on the eligible Block Trades • Waiver of the market data related fees provided that the market data is used for trading RMB Currency Futures |
| Block Trade Requirements | <ul style="list-style-type: none"> • Block Trades must be executed on HKATS by the HKFE Participant using T1 Block Trade Condition • For Block Trades executed during the T Session on a Business Day, trade give-up and take-up have to be completed prior to the System Input Cutoff Time on the same Business Day. For Block Trades executed during the T+1 Session on a Business Day, trade give-up and take-up have to be completed prior to the T+1 Session Cutoff Time of that T+1 Session or prior to the System Input Cutoff Time on the next Business Day • All Block Trades have to meet the block trade criteria as specified in the HKFE Trading Rules |

3. EUR/CNH, JPY/CNH, AUD/CNH and CNH/USD Futures – Exchange Fee Waiver

With respect to the EUR/CNH, JPY/CNH, AUD/CNH and CNH/USD Futures, the waiver of Exchange Fees shall be extended for an additional six months from 30 November 2016 (T+1 Session) to 31 May 2017 (Day Session). The waiver of Exchange Fees is applicable to all HKFE Participants and their clients.

On a related note, the Exchange continues to invite applications for the Liquidity Provider status for EUR/CNH, JPY/CNH, AUD/CNH and CNH/USD Futures. Upon fulfilment of the quoting obligations, Liquidity Providers will receive a trading fee rebate and certain connection incentives.

Application Procedure

The aforementioned incentive programs are now open for application. Interested applicants should contact Ms. Rina Ku (RinaKu@hkex.com.hk) or Mr. Frederick Yim (FrederickYim@hkex.com.hk) for program details.

Participants are requested to notify their staff and all interested clients about the extension of the incentive programs for the RMB Currency Futures products.

Julien Martin

Head

Fixed Income and Currency Product Development

Market Development

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.