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通告 CIRCULAR

Subject: Changes in the Trading Hours in relation to the Introduction of Closing Auction Session in the Securities Market on 25 July 2016

Enquiry: HKATS Hotline Tel: 2211-6360

Reference is made to the circular (Ref: CT/031/16) dated 27 June 2016 regarding the confirmation of the launch of Closing Auction Session (CAS) in the securities market. Corresponding changes in the trading hours will be made to derivatives markets effective on the launch date of CAS (25 July 2016). Exchange Participants are requested to note the following arrangements in Hong Kong Futures Exchange (HKFE) to be effective on the same day:

1. The Day session closing time of Stock Index Futures and Options (SIFO), Currencies and Commodities futures for full-day trading and half-day trading (i.e. eves of Christmas, New Year and Chinese New Year) will be extended from 4:15 p.m. to 4:30 p.m. and from 12:00 noon to 12:30 p.m. respectively. After-Hours Futures Trading opening time will be changed from 5:00 p.m. to 5:15 p.m. while its closing time will remain unchanged. A comparison of the existing and new trading hours is set forth in Appendix I for reference;

2. Corresponding changes to typhoon arrangement for trading of SIFO, Currencies, Commodities, HIBOR futures are set forth in Appendix II for reference;

3. Final settlement price (FSP) calculation algorithm for Hang Seng Index Futures (HSI) & H-Shares Index Futures (HHI), HSI Volatility Index Futures and Stock Futures will be adjusted. For HSI & HHI Futures and Stock Futures, the 66th reading for the determination of FSP will be taken after the Closing Auction Session, instead of the Continuous Trading Session, in the securities market when the closing indices and closing underlying stock prices are disseminated. For HSI Volatility Index Futures, the determination period on half-

day trading will be changed from 11:15 a.m. – 11:45 a.m. to 11:30 a.m. – 12:00 noon. Details of the changes are set forth in Appendix III for reference.

Please refer to the document of the Trading Mechanism of Closing Auction Session (CAS) in the Securities Market (Section 11 "Trading Hours After the Implementation of the CAS") for details regarding trading hours after the launch of the CAS. Furthermore, relevant amendments to the HKFE Rules will be issued in a separate circular in due course.

Exchange Participants are requested to review and ensure that all relevant trading and settlement systems are properly adjusted on the effective date to cater for the new arrangements set forth above. Exchange Participants should also inform their staff and clients in advance the details of the changes in trading and clearing operational arrangements to prepare for the upcoming changes.

Please contact the HKATS Hotline at 2211-6360 for enquiries.

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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.

Appendix I

Changes to the trading hours of SIFO, Currencies Futures and Commodities Futures after the CAS implementation:

A. Full-day Trading

Market	Closing Time (Except on the Last Trading Day)		Closing Time on the Last Trading Day	
	Existing Closing Time	New Closing Time	Existing Closing Time	New Closing Time
SIFO (Except CES China 120 Index Futures, Dividend Futures and BRICS Futures)	4:15 p.m.	4:30 p.m.	4:00 p.m.	Unchanged
CES China 120 Index Futures	4:15 p.m.	4:30 p.m.	3:00 p.m.	Unchanged
Dividend Futures and BRICS Futures	4:15 p.m.	4:30 p.m.	4:15 p.m.	4:30 p.m.
Currencies Futures	4:15 p.m.	4:30 p.m.	11:00 a.m.	Unchanged
Commodities Futures	4:15 p.m.	4:30 p.m.	Refer to contract specifications [Note 1]	Unchanged
HIBOR Futures	5:00 p.m.	Unchanged	11:00 a.m.	Unchanged
Stock Futures and Options	4:00 p.m.	Unchanged	4:00 p.m.	Unchanged

[Note 1] Please refer to the hyperlink below:
http://www.hkex.com.hk/eng/rulesreg/traderules/hkfe/documents/mtl-cs.pdf

B. Half-day trading (eves of Christmas, New Year and Chinese New Year)

Market	Closing Time (Except on the Last Trading Day)		Closing Time on the Last Trading Day	
	Existing Closing Time	New Closing Time	Existing Closing Time	New Closing Time
SIFO (Except Dividend Futures and BRICS Futures)	12:00 noon	12:30 p.m.	12:00 noon	Unchanged
Dividend Futures and BRICS Futures	12:00 noon	12:30 p.m.	12:00 noon	12:30 p.m.
Currencies Futures	12:00 noon	12:30 p.m.	11:00 a.m.	Unchanged
Commodities Futures	12:00 noon	12:30 p.m.	12:00 noon	12:30 p.m.
HIBOR Futures	12:00 noon	Unchanged	11:00 a.m.	Unchanged
Stock Futures and Options	12:00 noon	Unchanged	12:00 noon	Unchanged

C. After-Hours Futures Trading (AHFT)

Market	AHFT Opening Time	
	Existing Opening Time	New Opening Time
Stock Index Futures (HSI, HHI, MHI and MCH)	5:00 p.m.	5:15 p.m.
Currencies Futures	5:00 p.m.	5:15 p.m.
Commodities Futures	5:00 p.m.	5:15 p.m.

Appendix II

Changes in the Typhoon Arrangements for trading of SIFO, Currencies Futures, Commodities Futures and HIBOR Futures after the CAS implementation:

A. Full-day trading

Market	Arrangements if Typhoon Signal Number 8 or above is Hoisted during Morning Session or Afternoon Session	
	Existing Arrangement	New Arrangement
SIFO, Currencies Futures, Commodities Futures and HIBOR Futures	Trading will be terminated after 15 minutes	- Before 3:45 p.m., trading will be terminated after 15 minutes; - At or after 3:45 p.m. but before 4:00 p.m., trading will be terminated at 4:15 p.m. - At or after 4:00 p.m., trading will be terminated after 15 minutes
Stock Futures and Options	Trading will be terminated after 15 minutes	Unchanged

B. Half-day trading (eves of Christmas, New Year and Chinese New Year)

Market	Arrangements if Typhoon Signal Number 8 or above is Hoisted during Morning session	
	Existing Arrangement	New Arrangement
SIFO, Currencies Futures and Commodities Futures	Trading will be terminated after 15 minutes	- Before 11:45 a.m., trading will be terminated after 15 minutes; and - At or after 11:45 a.m. but before 12:00 noon, trading will be terminated at 12:15 p.m. - At or after 12:00 noon., trading will be terminated after 15 minutes
HIBOR Futures and Stock Futures and Options *	Trading will be terminated after 15 minutes	Unchanged

*No changes to HIBOR Futures, Stock Futures and Options markets as the morning sessions close at 12:00 noon.

Appendix III

Changes in HSI Futures, HHI Futures, Stock Futures and HSI Volatility Index Futures final settlement price calculation algorithm after the CAS implementation:

<u>HSI and HHI Futures</u>

The current final settlement price calculation algorithm is the average of quotations 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. After the implementation of the Closing Auction Session in the securities market, the index readings will be taken according to the following procedures:

Readings	Existing Arrangement	New Arrangement
The 1st – 65th readings to be taken with 5 minutes interval	Index readings are taken during the period from: 9:30 a.m. to 12:00 noon; and 1:00 p.m. to 3:55 p.m.	Unchanged
The 66th reading to be taken	The last index reading is taken when the official closing of stock prices are disseminated at the end of the continuous trading session in the SEHK	The last index reading is taken after the official closing of stock prices are disseminated at the end of the closing auction session in the SEHK

Stock Futures

The current final settlement price calculation algorithm is the average of readings of (i) the midpoints of the best bid and best ask prices for the underlying common share taken at five-minute intervals from five minutes after the start of, and up to five minutes before the end of, the Continuous Trading Session of SEHK and (ii) the closing price of the underlying common share as quoted by SEHK on the Last Trading Day. After the implementation of the Closing Auction Session in the securities market, the readings will be taken according to the following procedures:

Readings	Existing Arrangement	New Arrangement
The 1st – 65th readings to be taken with 5 minutes interval	Readings are taken during the period from: 9:30 a.m. to 12:00 noon.; and 1:00 p.m. to 3:55 p.m.	Unchanged
The 66th reading to be taken	The last reading is the closing price taken when the official closing of stock price is disseminated at the end of the continuous trading session in the SEHK	The last reading is the closing price taken when they are disseminated at the end of the closing auction session in the SEHK

HSI Volatility Index Futures

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.

Market	Full-Day Trading		Half-Day Trading	
	Existing Arrangement	New Arrangement	Existing Arrangement	New Arrangement
HSI Volatility Index Futures	3:30 p.m. – 4:00 p.m.	Unchanged	11:15 a.m. – 11:45 a.m.	11:30 a.m. – 12:00 noon