

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: Trading and Clearing Arrangements of RMB Currency Options – USD/CNH Options Contracts

Enquiry: Mr. Kenneth Wong (Email: [KennethKKWong@hkex.com.hk](mailto:KennethKKWong@hkex.com.hk); Tel: 2840-3524) /  
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Reference is made to the circular (Ref: [MKD/FIC/001/17](#)) dated 4 January 2017. Hong Kong Futures Exchange (the “Exchange”) is pleased to announce that the trading of RMB Currency Options – USD/CNH Options contracts will commence on **Monday, 20 March 2017** (“**Commencement Date**”).

Marketing participants, including Exchange Participants (“EPs”) and Clearing Participants of HKFE Clearing Corporation Limited (“CPs”), are reminded to prepare for the following trading and clearing arrangements.

### (1) **Trading Arrangements**

#### **Pre-Launch Arrangements**

To facilitate market participants in trading and clearing of the RMB Currency Options – USD/CNH Options contracts, the following pre-launch arrangements will be made available on **Friday, 17 March 2017** (i.e. one business day before the Commencement Date):

- a. Trading codes of the USD/CNH Options contracts will be displayed on HKATS, but the USD/CNH Options contracts will not be tradable on that day; and
- b. Information relating to the USD/CNH Options contracts will be generated in the risk parameter files, clearing and open interest reports.

#### **Trading Month Arrangement at Launch**

On the Commencement Date, the contract months of the USD/CNH Options contracts available for trading are April 2017, May 2017, June 2017, July 2017, September 2017, December 2017, March 2018 and June 2018.

#### **Block Trade Volume Threshold and Permissible Price Range**

The block trade volume threshold for the USD/CNH Options contracts is 50 contracts for each contract month. With reference to the HKFE rule 815A(5), the price at which a block trade is executed must be fair and reasonable, and the revised permissible price range for block trades is determined in the following manner:

- (a) When the executed price is at or within the range of highest traded price, lowest traded price, bid and ask price of the contract; or
- (b) When the executed price is within a price range to both sides of a reference price obtained through prevailing market prices, or if necessary, determined as the theoretical values based on the prevailing underlying values. Price ranges for USD/CNH Options contracts are as follows:

Reference price value	Price Range
Below 0.4000	0.0400
Above or equal to 0.4000	10% of reference price

## **(2) Participant Readiness**

The Exchange encourages EPs to prepare their operations prior to the launch of RMB Currency Options – USD/CNH Options contract. To enhance market transparency and assist EPs' promotional efforts, a list of EPs offering trading services for the USD/CNH Options contracts will be published on the HKEX's website, and will be updated from time to time.

EPs should complete and return the attached questionnaire (Attachment I) before **3 March 2017** to confirm the readiness to offer trading services for the products and to provide consent to have their names and contact details published on the HKEX's website. For further information, please contact Mr. Frederick Yim ([FrederickYim@hkex.com.hk](mailto:FrederickYim@hkex.com.hk)) or Mr. Raymond Wong ([RaymondCWWong@hkex.com.hk](mailto:RaymondCWWong@hkex.com.hk)).

## **(3) Trading Information**

The latest information vendor access codes of the USD/CNH Options contracts are listed in Attachment II for reference. The list will be updated from time to time on the HKEX's website ([www.hkex.com.hk/FX](http://www.hkex.com.hk/FX)).

## **(4) Appreciation of Active Participation**

The Exchange plans to award trophies to active participants during the first three months of the product launch, i.e. from 20 March 2017 to 30 June 2017. Trophies will be awarded based on the criteria below:

Eligible participants	Criteria
EPs	Top 10 EPs with the highest clearing volume from 20 March 2017 to 30 June 2017, subject to a minimum total clearing volume of 100 contracts.
Proprietary traders as	Top 5 proprietary traders as nominated by EPs with the

nominated by EPs	highest clearing volume from 20 March 2017 to 30 June 2017, subject to a minimum total clearing volume of 100 contracts.
Liquidity Providers	Top 3 Liquidity Providers with the highest aggregated clearing volume from 20 March 2017 to 30 June 2017, subject to a minimum total clearing volume of 100 contracts.

**(5) Clearing and Settlement Arrangements**

To be eligible for clearing and settlement of the USD/CNH Options, CPs need to arrange for RMB and USD settlement capability by setting up RMB and USD account with any one of the Settlement Banks appointed by HKFE Clearing Corporation Limited and to maintain relevant mandates in such form as prescribed by HKCC.

CPs are requested to ensure that these bank accounts are in active status and ready for cash settlement. Non-Clearing Participants should contact their General Clearing Participants to ascertain their eligibility of clearing the RMB Currency Options – USD/CNH Options contracts.

**(6) Risk Management Arrangements**

Margin levels and update of PC-SPAN Organization Master File for the USD/CNH Options contracts will be announced in due course.

Julien Martin  
Head  
FIC Product Development  
Market Development Division

Att.

*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.*

**Attachment I**

**Questionnaire on Exchange Participant's Readiness for  
RMB Currency Options – USD/CNH Options Contracts**

To: *HKEX Market Development Division – FIC Product Development*  
Email: [FICD@hkex.com.hk](mailto:FICD@hkex.com.hk); Fax: +852 2295 3106

From: \_\_\_\_\_ (Name of Exchange Participant)  
\_\_\_\_\_ (Contact Details (Email and Phone))  
\_\_\_\_\_ (Date)

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1.  We are operationally ready to offer trading services of USD/CNH Options contracts to clients
  2.  We acknowledge and agree that HKEX shall have the right to publish our company name and the contact details on the website of HKEX Group (<http://www.hkex.com.hk/FX>) in relation to the list of EPs offering trading services for USD/CNH Options contracts.

**Authorised Signature:** \_\_\_\_\_ **Company Chop:** \_\_\_\_\_

**Full Name:** \_\_\_\_\_

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Completed form should be returned to HKEX by email at [FICD@hkex.com.hk](mailto:FICD@hkex.com.hk) or fax at +852 2295 3106.

**Attachment II**

Information Vendor Access Codes for the RMB Currency Options – USD/CNH Options contracts  
(The list will be updated from time to time on [www.hkex.com.hk/FX](http://www.hkex.com.hk/FX))

	<b>Information Vendor</b>	<b>RMB Currency Options – USD/CNH Options contracts</b>
1	AAStocks	340900
2	Activ Financial	CUS/1701/9999P.HF
3	AFE Solution	873181-7
4	Bloomberg	UCAA Curncy OMON <GO>
5	CQG	C/P.CUS
6	DBPower	CUS
7	Eastmoney	CUS
8	ETNet	CUS
9	Fidessa	CUS_Osmy.HF
10	FIS Global	CUS+<STRIKE PRICE>+<MONTH CODE>+<LAST DIGIT OF THE YEAR>
11	Hexin Flush Financial Information Network Ltd	CUS
12	Infocast	CUS (Menu > Derivatives > Options > Select ""CUS"")
13	Interactive Data	O:CUS\MYDD\[Strike Price]
14	Market Prizm	CUS <Strikes> my
15	QPI	P11370-P11375
16	SIX Financial	CUSmy
17	Telequote	CUSOmy
18	Tele-Trend	Open->Options->CUS
19	Thomson Reuters	0#HCUS*.HF
20	Wind	Quant -> CUSO.HK