

# Hong Kong Futures Exchange Limited

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

31 December 2010  
Our Ref: MDD/10/1815

**By Email**  
(enclosures by email only)

**To: Price Reporting System (PRS) Vendors  
Options Information Service (Options) Vendors**

Dear Sirs,

## **Project Schedules of (1) PRS Capacity Upgrade 2011 and (2) PRS Plus**

Our letters of 20 September 2010 (Ref: MDD/10/1235) and 7 December 2010 (Ref: MDD/10/1641) on the PRS Capacity Upgrade 2011 and the Introduction of PRS Plus respectively refer please. This notice updates you the schedules of these two projects.

For your ease of reference, the following table recaps the anticipated throughputs in terms of number of messages per second (“mps”) as well as the bandwidth requirements of the PRS after the capacity upgrade and the PRS Plus:

	2011		2012	
	Throughput in mps	Bandwidth required	Throughput in mps	Bandwidth required
<b>PRS</b> (1 Best Bid/Offer)	3,500	3 Mbps	3,800	3 Mbps
(5 Best Bid/Offer's)	4,500	3 Mbps	5,500	4 Mbps
<b>PRS Plus</b> (5 Best Bid/Offer's)	6,600	5 Mbps	7,300	6 Mbps

### **(1) PRS Capacity Upgrade 2011 Schedule**

The project schedule of the PRS Capacity Upgrade 2011 is updated as per the table below. Please note that all of the activities are mandatory for Direct Connection PRS Vendors, regardless of whether or not they will also subscribe for the PRS Plus.

Activity	Schedule
Submission of SDNet Line Application Form for Bandwidth Upgrade	By 14 Jan 2011 (Friday)
Line Reconfiguration (see Note 1)	19 Feb 2011 (Saturday)
PRS Capacity Upgrade Stress Test (see Note 2)	26 Feb 2011 (Saturday)

\* Note 1: SDNet line bandwidth will be upgraded as per the SDNet Line Application Form submitted by IVs for the PRS Capacity Upgrade 2011 except for IVs who has signed up to connect to the PRS Plus at its launch by the deadline.

Note 2: ALL direct connection PRS Vendors must pass the stress test and prove the capability of their systems of handling the projected throughput rate of the current PRS for 2011

Please find enclosed the revised SDNet Line Application Form for your line upgrade. As stated in the above schedule, all Direct Connection PRS Vendors are required to return the completed form on or before 14 January 2011 for the PRS Capacity Upgrade 2011.

**(2) PRS Plus Schedule**

(PRS Vendors who will not subscribe for the PRS Plus may disregard this section.)

The PRS Plus will be launched tentatively in April 2011. The subscription for the PRS Plus will be restricted to vendors under the Single Licence Regime. Direct Connection PRS Vendors who plan to migrate to the PRS Plus (with or without parallel run), or to subscribe to the PRS Plus in addition to the current PRS should pay special attention to the deadlines for the activities specified below if they would like to be able to connect to the PRS Plus on its launch day ("First Batch"). Vendors who fail to meet the various deadlines of the PRS Plus implementation plan will not be able to join the First Batch and their applications for the PRS Plus will be processed on a first-come-first-serve basis after the First Batch rollout.

Activity	Schedule
<b>Signup for the PRS Plus</b>	
<b>i.) Sign and return the Letter of Intent</b>	<b>By 28 Jan 2011 (Friday)</b>
<b>ii.) Submit Application Forms</b>	
<b>iii.) Submit SDNet Line Application Form for Line Upgrade (see Note 3)</b>	
Line Reconfiguration (to 5 or 6 Mbps as specified in the SDNet Line Application Form)	19 Feb 2011 (Saturday)
PRS Plus Stress Test	Feb / Mar 2011 (tentative)
Submission of SDNet Line Application Form for a new set of lines of 3 Mbps (See Note 4)	Feb/Mar 2011 (tentative) 6 weeks before the launch of the PRS Plus
PRS Plus Market Rehearsal	Mar 2011 (tentative)
Completion of PRS Plus Licence Application Procedure	Apr 2011 (tentative) 1 week before the launch of the PRS Plus
Line Installation for the 3 Mbps for the current PRS Feed (See Note 4)	Apr 2011 (tentative) Same day for the Post Release Test for PRS Plus
Switching of the 5 or 6 Mbps SDNet Lines for PRS Plus Connection	Apr 2011 (tentative) Same day for the Post Release Test for PRS Plus
PRS Post Release Test	Apr 2011 (tentative)

\* Note 3: The SDNet Line Application Form submitted will supersede the one submitted for the PRS Capacity Upgrade 2011. The line upgrade to 5 Mbps or 6 Mbps as specified in the submitted form will be performed on 19 Feb 2011 and the upgraded lines will be used for the PRS Capacity Upgrade Stress Test scheduled for 26 Feb 2011 as well as the PRS Plus Stress Test.

Note 4: These activities are only applicable to direct connection PRS Vendors who choose to migrate to the PRS Plus with parallel run or to subscribe to the PRS Plus in addition to the current PRS feed. The arrangements are proposed with the purpose for eliminating unnecessary line cost for PRS Vendors. The SDNet lines of 3 Mbps for parallel run will be terminated after the parallel run period.

The fee schedules for the PRS Plus will be announced around mid January 2011 upon the approval of the SFC. We will provide more information on the licence application arrangement and the project schedule in due course.

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- 3 -

Since the PRS Plus will be identical to the current PRS feed in terms of data content and message format, PRS Vendors who would like to connect to the PRS Plus upon its launch are strongly advised to use the PRS Simulator and the PRS canned data to test the capability of your systems of processing the anticipated throughput of the PRS Plus (i.e. 6,600 mps to 7,300 mps) before the stress test and the market rehearsal. PRS Vendors who fail the stress test and the market rehearsal may not be included in the First Batch rollout.

For queries about the fees and the licence application arrangement for the PRS Plus, you may contact Ms Winnie Sin at (852) 2840 3732 or Ms Clara Ho at (852) 2840 3091 of our Sales & Marketing Section.

For other queries, please do not hesitate to call our Elvis You at (852) 2840 3491 or Evan Chan at (852) 2840 3058.

Yours sincerely,

Karen Lam  
Senior Manager  
Vendor Support & Data Management

Encl.: (i) SDNet Line Service Application Form – PRS  
(ii) SDNet Line Service Application Form – PRS Plus (Single Licence Regime)