

**Rules of the Exchange**

**CHAPTER 1**

**INTERPRETATION**

101. In these Rules, unless the context otherwise requires:-

“Throttle-on-Demand Scheme”

means the scheme set out in Rule 365D that allows an Exchange Participant with an Open Gateway or a Central Gateway session to apply to the Exchange for a temporary increase in the throughput rate of an order or a Central Gateway message into the System;

**CHAPTER 3**

**EXCHANGE PARTICIPANTSHIP**

**Standby Terminal and Backup Open Gateway**

364A. (1) (a) Subject to Rule 364A(2), an Exchange Participant which has connected an Open Gateway, as entitled under Rule 365(1) or applied for under Rule 364B or Rule 365B to its BSS or to a MWS provided by the Exchange for access to the System may, in respect of each Stock Exchange Trading Right or each standard throttle rate under Rule 364B, ~~or~~ Rule 365B or Rule 365D assigned to that Open Gateway, apply to the Exchange for a (i) a Backup Open Gateway assigned with a single Stock Exchange Trading Right or a single standard throttle rate (as the case may be) to be installed for backup of such Open Gateway unless otherwise determined by the Exchange, or (ii) if application is made prior to the commencement of the AMS terminal/MWS transitional period, a Standby Terminal. The number of Backup Open Gateways applied for by the Exchange Participant must not exceed the number of its Open Gateways connected to the System. For an Exchange Participant which has assigned multiple Stock Exchange Trading Rights and/or multiple standard throttle rates under Rule 364B, ~~and/or~~ Rule 365B and/or Rule 365D to its Open Gateway, the Exchange Participant may assign multiple Stock Exchange Trading Rights and/or multiple standard throttle rates to a Backup Open Gateway provided that the total number of Stock Exchange Trading Rights and standard throttle rates assigned to its Backup Open Gateway together with the number of Standby Terminals installed for backup of the Open Gateway must not exceed the total number of Stock Exchange Trading Rights and standard throttle rates under Rule 364B, ~~and~~ Rule 365B and Rule 365D assigned to that Open Gateway.

### Increase of Open Gateway Throughput Rate

- 365B. (1) An Exchange Participant with an Open Gateway may apply to the Exchange for an increase in the throughput rate of an order into the System through the Open Gateway under this Rule 365B(1) or, in the case of a temporary increase, under Rule 365D(1) and such application shall be subject to the approval of the Exchange. Any increase in the throughput rate shall be for a standard throttle rate or multiples of a standard throttle rate.
- (2) An Exchange Participant which has applied for or which has acquired an increase in throughput rate entitlement under Rule 365B(1), ~~or~~ Rule 365B(5) or Rule 365D(1) may apply for a new Open Gateway. The application for a new Open Gateway shall be subject to the approval of the Exchange and such approval may be given subject to any conditions and payment of such fees and charges as the Board thinks fit. Without prejudice to the aforesaid, a new Open Gateway, if approved, shall in all respects be subject to the Rules applicable to “Open Gateway” referred to in Rule 365(1) unless otherwise determined by the Board.
- (3) An Exchange Participant shall, if its application under Rule 365B(1) is approved by the Exchange, and an Exchange Participant which has acquired an increase in throughput rate entitlement under Rule 365B(5) also shall comply with such terms and conditions as the Board shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time. Without prejudice to the aforesaid, any increase in the throughput rate under Rule 365B(1) or Rule 365D(1) or pursuant to a transfer under Rule 365B(5) shall be to an existing Open Gateway or a new Open Gateway under Rule 365B(2), if any, provided that at least a standard throttle rate shall, unless otherwise specified by the Exchange, be to the new Open Gateway, if any.
- (5) An increase in throughput rate entitlement granted under Rule 365B(1) or Rule 365D(1) or acquired under this Rule 365B(5) may be transferred by an Exchange Participant upon such terms and subject to such conditions as may from time to time be prescribed by the Exchange including but not limited to the condition that the Exchange Participant to which the throughput rate increase entitlement is to be transferred must be a company within the same group of companies as the Exchange Participant. An Exchange Participant wishing to transfer an increase in throughput rate entitlement shall apply to the Exchange for the transfer and such application shall be subject to the approval of the Exchange.

### Increase of Central Gateway Session Throughput Rate

- 365C. (1) An Exchange Participant with a Central Gateway session may apply to the Exchange for an increase in the throughput rate of a Central Gateway message into the System through the Central Gateway session under this Rule 365C(1) or, in the case of a temporary increase, under Rule 365D(1) and such application shall be subject to the approval of the Exchange. Any increase in the throughput rate shall be for a standard Central Gateway

throttle rate or multiples of a standard Central Gateway throttle rate.

- (2) An Exchange Participant which has applied for or which has acquired an increase in throughput rate entitlement under Rule 365C(1), ~~or~~ Rule 365C(5) or Rule 365(D) may apply for a new Central Gateway session. The application for a new Central Gateway session shall be subject to the approval of the Exchange and such approval may be given subject to any conditions and payment of such fees and charges as the Board thinks fit. Without prejudice to the aforesaid, a new Central Gateway session, if approved, shall in all respects be subject to the Rules applicable to “Central Gateway session” referred to in Rule 365(1) unless otherwise determined by the Board.
- (3) An Exchange Participant shall, if its application under Rule 365C(1) is approved by the Exchange, and an Exchange Participant which has acquired an increase in throughput rate entitlement under Rule 365C(5) also shall comply with such terms and conditions as the Board shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time. Without prejudice to the aforesaid, any increase in the throughput rate under Rule 365C(1) or Rule 365D(1) or pursuant to a transfer under Rule 365C(5) shall be to an existing Central Gateway session or a new Central Gateway session under Rule 365C(2), if any, provided that at least a standard Central Gateway throttle rate shall, unless otherwise specified by the Exchange, be to the new Central Gateway session, if any.
- (5) An increase in throughput rate entitlement granted under Rule 365C(1) or Rule 365D(1) or acquired under this Rule 365C(5) may be transferred by an Exchange Participant upon such terms and subject to such conditions as may from time to time be prescribed by the Exchange including but not limited to the condition that the Exchange Participant to which the throughput rate increase entitlement is to be transferred must be a company within the same group of companies as the Exchange Participant. An Exchange Participant wishing to transfer an increase in throughput rate entitlement shall apply to the Exchange for the transfer and such application shall be subject to the approval of the Exchange.

### **Throttle-on-Demand Scheme**

- 365D. (1) An Exchange Participant with an Open Gateway or a Central Gateway session may apply to the Exchange for a temporary increase in the throughput rate of an order or a Central Gateway message into the System on a daily or monthly basis (the “Throttle-on-Demand Scheme”) and such application shall be subject to the approval of the Exchange. Any temporary increase in the throughput rate shall be for a single or multiples of a standard throttle rate or standard Central Gateway throttle rate.
- (2) The Exchange may impose a maximum number of standard throttle rates and standard Central Gateway throttle rates that may be granted to an Exchange Participant under the Throttle-on-Demand Scheme.

- (3) An Exchange Participant shall, if its application under Rule 365D(1) is approved by the Exchange, comply with such terms and conditions as the Exchange shall from time to time prescribe and pay such fees and charges as shall be determined by the Board from time to time.

CHAPTER 8

PAYMENT OF FEES AND CHARGES

802. Without limitation to the generality of Rule 801 above, the Board may impose fees and charges in respect of:-

<u>Fee Type</u>	<u>Amount (HK\$)</u>
(16) monthly user fee for:	
(i) Stock Exchange Trading Right(s) or standard throttle rate(s) assigned to a Backup Open Gateway for backup of an Open Gateway under Rule 364A(1)(a), <u>other than any standard throttle rate corresponding to that assigned under the Throttle-on-Demand Scheme;</u>	480 for each Stock Exchange Trading Right or each standard throttle rate (as the case may be) assigned
(n) standard throttle rate(s) assigned to a new Open Gateway under Rule 365B, <u>other than any standard throttle rate assigned under the Throttle-on-Demand Scheme;</u>	960 for each standard throttle rate assigned
<u>(16K) Throttle-on-Demand Scheme:</u>	
<u>user fee for a temporary increase in the throughput rate of an order into the System under Rule 365D(1), whether through an existing Open Gateway or assigned to a new Open Gateway under Rule 365B(2);</u>	<u>2,000 for each standard throttle rate per month if granted on a monthly basis</u>
	<u>200 for each standard throttle rate per trading day if granted on a daily basis</u>

802A. Without limitation to the generality of Rule 801 above, the Board may impose fees and charges in relation to the Central Gateway as follows:-

<u>Fee Type</u>	<u>Amount (HK\$)</u>
(3) in addition to any one-time fee specified above, a monthly fee for:	
(a) the use of a Central Gateway session, Market Making Central Gateway session or Backup Central Gateway session as follows depending on the number of standard Central Gateway throttle rates assigned, <u>other than any standard Central Gateway throttle rates assigned under the Throttle-on-Demand Scheme;</u>	

<p>(i) low capacity - 1 to 20 standard Central Gateway throttle rates</p>	<p>Central Gateway session: 2,000 for the first session for trading or backup, 7,500 for each additional session</p>
<p>(ii) standard capacity - 21 to 60 standard Central Gateway</p>	<p>Market Making Central Gateway session: 7,500 for each session for trading or backup  10,000</p>
<p>(iii) high capacity - 61 to 100 standard Central Gateway throttle rates - 101 to 150 standard Central Gateway throttle rates - 151 to 200 standard Central Gateway throttle rates - 201 to 250 standard Central Gateway throttle rates</p>	<p>15,000 20,000 25,000 30,000</p>
<p>(f) an increase in the throughput rate of a message into the System through a new Central Gateway session under Rule 365C;</p>	<p>960 for each standard Central Gateway throttle rate, <u>other than any assigned under the Throttle-on-Demand Scheme</u></p>
<p><u>(i) a temporary increase in the throughput rate of a message into the System under the Throttle-on-Demand Scheme in Rule 365D(1), whether through an existing Central Gateway session or a new Central Gateway session under Rule 365C(2);</u></p>	<p><u>2,000 for each standard Central Gateway throttle rate per month if granted on a monthly basis</u>  <u>200 for each standard Central Gateway throttle rate per trading day if granted on a daily basis</u></p>