HKEX
香 港 交 易 所

**HONG KONG FUTURES EXCHANGE LTD /
THE STOCK EXCHANGE OF HONG KONG LTD
(A wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd)**

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Notification of Applying HKATS Risk Functions Risk Limits

Particulars of Exchange Participant

Mnemonic	Participant Name
❒ HKFE Participant ❒ Options Trading Exchange Participant	

Contact Person

Name	Tel
Position	E-mail

New Participant is required to set risk limits through their HKATS RISK FUNCTIONS GUI within 6 months. Their input shall be done with the Exchange on an appointment basis. Please indicate your risk limits below and send them back to the Exchange by fax or by email in order to obtain an appointment from the Exchange.

For operations details of HKATS RISK FUNCTIONS GUI, please refer to the HKATS RISK FUNCTIONS USER'S GUIDE:

http://www.hkex.com.hk/eng/market/dv_tradinfra/Documents/HKATS_Risk_Functions_User_Guide.pdf

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A) The following risk limits will be input in HKATS Risk Functions:

Risk Limit Type	Risk Limits	Value	Input Date
Maximum Order Rate	Maximum Order Rate Limit		
	Order Rate Period (Second)		
Maximum Intraday Exposure	Gross Futures Long/Short Exposure (HKD)		
	Net Futures Long/Short Exposure (HKD)		
	Gross Options Long/Short Exposure (HKD)		
	Net Options Long/Short Exposure (HKD)		
	Futures Coefficient (%)		
	Options Coefficient (%)		
Maximum Order Size	Maximum Order Size Limit	Please refer to the **Attachment**	

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We confirm that the following reviews have been done before proceeding to apply relevant risk limits to HKATS Risk Functions:

1) Assessments have been made to the trading activities;

2) Utilization Reports have been reviewed as a reference to determine the risk limits;

3) The risk limits have been reviewed and approved by the authorized person(s) who is/are responsible for the internal risk controls of the company;

4) Risk Limit Managers are familiarized with the operations of HKATS Risk Functions GUI; and

5) Customers have been informed about HKATS Risk Functions in derivatives market and the possible scenarios of order rejections and cancellations.

_____   _____
Signature of Responsible Officer   Date

_____
Name of Responsible Officer

Attachment

Mnemonic / Participant Name	

Maximum Order Size Limit for different product types:

Name of PTLG	Product Type	Value