

Submitted via Qualtrics
Company/Entity View

Question 1 - In line with the existing methodology, HKEX is proposing to add two tiers of exchange-level position limit (200,000 and 250,000 contracts) which will increase the maximum limit to 250,000 contracts for exchange-level position limit for SSO. Would you agree to such change, in view of business needs, risk implications to the Hong Kong market and operational considerations?

Agree

Please state reason for your view:

We would be supportive of increasing the position limits- this would give the firm greater flexibility because we have been constrained by these position limits in the past.

From a risk perspective, the trading limits we set for clients are client-specific rather than using the exchange limits as a default.

Question 2 - Do you support the revision of the current SSF position limit model with the introduction of a five-tier model applicable to net positions (with 25,000 contracts as maximum position limit), a single month position limit set at two times the net limit, and a review mechanism for both annual adjustments and corporate actions, in view of business needs, risk implications to Hong Kong market and operational considerations?

Support

Please state reason for your view:

We would be supportive however firm activity in Single Stock Futures on HKEx is low and therefore the impact of this would not be significant.

Question 3 - Considering that flagship-minis are included in the position limits for products that reference the same index, do you support removal of the additional position limit that applies only to flagship-minis, in view of business needs, risk implications to Hong Kong market and operational considerations?

Support

Please state reason for your view:

Considering the underlying index of the regular and mini contracts is the same we would support removal.

Question 4 - Do you support revising the Large Open Position reporting requirement (from 2,500 to 500 contracts) for Mini-HSI and Mini-HSCEI futures and options, in view of business needs, risk implications to Hong Kong market and operational considerations?

Do not support

Please state reason for your view:

We would not be supportive - the LOPR reporting threshold of the regular HSI and HSCEI futures is 500 lots which is equivalent to 2,500 lots on a notional basis.

We therefore recommend no change.