

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 agree to the proposed change. It provides a better differentiation between SSO according to the market capitalization and liquidity of the underlying stock, resulting in better risk control

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 agree to the proposed change. It provides a better differentiation between SSF according to the market capitalization and liquidity of the underlying stock, resulting in better risk control

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:

We agree to the proposed change. Given the fungibility of mini and main contracts, and the automatic netting in line with Clearing House rules, we see no risk implications and have no operational concerns.

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?

Support

Please state reason for your view:

We agree to the proposed change. Given the fungibility of mini and main contracts, and the automatic netting in line with Clearing House rules, we see no risk implications and have no operational concerns.