

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:

In terms of HKEX proposal to include two additional tiers to evolve the existing SSO position limit model from a three-tier model to a five-tier model, in order to support market growth and provide more flexibility to the market, we are currently reviewing the impact and effort to implement this new methodology to the system and processes. Nevertheless, we aim to harmonize position limit regime rules with SFC statutory limit to avoid separate position limit monitoring controls and processes to cater to two different regimes.

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:

For the five-tier model for the exchange-level position limit for SSF, we do not trade this product currently.

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:

The position limit monitoring for HSI / HHI underlying products can be simplified based on the new proposal of removal of the additional position limit and we aim to harmonize position limit regime rules with SFC statutory limit to avoid separate position limit monitoring controls and processes to cater to two different regimes. In terms of reporting regime, we have no concerns apart from a static change will occur in the reporting threshold.

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:

From our perspective, this will be a static change in terms of reporting threshold with no other concerns.