

**Submitted via Qualtrics**  
**Company/Entity View**

**Question 1(i)**

**Do you have any comments or concerns on the proposed trading arrangements?**

Yes

**If the answer is "Yes", please specify your comments or concern:**

To ensure Hong Kong retains its competitiveness as a financial hub, we support the proposed Derivative holiday trading.

**Question 1(ii)**

**Do you have any comments or concerns on the proposed clearing arrangements?**

Yes

**If the answer is "Yes", please specify your comments or concern:**

Per the proposal, HCP will also need to settle the payment obligation for NH products during H Day, however, it is not required for NH CP. Such inconsistency in settlement requirement seems confusing and may potentially create funding issues (in case smaller USD position due to smaller USD trading volume in comparison with HKD position) and lead to increased complexity (collect margin in USD on H and release USD on Business day after the holiday).

Regarding payment support during the HK holiday for the settlement bank, at this moment some of the main settlement banks do not support payment during HK holiday, although it is expected to provide such service according to these bank. CPs will push for support. However, these banks are also the designated banks for being HKCC/SEOCH participants. HKCC/SEOCH should also actively work with these banks to ensure their eligibility before full implementation as well.

Therefore, we propose a settlement holiday on H days.

In addition, we propose the settlement price of H products on H days would be carried forward from H-1 days' file.

**Question 1(iii)**

**Do you have any comments or concerns on the proposed risk management arrangements?**

Yes

**If the answer is "Yes", please specify your comments or concern:**

We propose the settlement price of H products on H days would be carried forward from H-1 days's file, so that there would be no VA margin call on H CPs on H day.

We propose no payment obligation to be settled for H CPs on H days.

H CPs would settle payment obligations arising from H days on H+1 days. This is similar to the risk management mechanism of T+1 products in T+1 session. Currently, CPs do not need to settle payment obligations during T+1 hours.

IM requirements of H products would be recalculated at end of day cycle on H days, the payment obligation would be settled by 09:15 am on H+1 days, and variation adjustment of H products through daily mark to market mechanism on H+1 days.

**Question 1(iv)**

**Do you have any comments or concerns on the proposed market data arrangements?**

No

**If the answer is "Yes", please specify your comments or concern:**

N/A

**Question 1(v)**

**Do you have any comments or concerns on the proposed large open position reporting arrangements?**

Yes

**If the answer is "Yes", please specify your comments or concern:**

We propose the reporting deadline of NH products and H products to be no later than 12:00 noon on H+ 1 day for H CPs and Non H CPs.

**Question 2**

**Are there any other issues regarding the Proposal that HKEX should consider?**

No

**If the answer is "Yes", please specify your comments or concern:**

N/A