

香港期貨交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

HONG KONG FUTURES EXCHANGE LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Stock Futures Market Enhancement

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Hong Kong Futures Exchange Limited (The Exchange) is pleased to announce that the following stock futures market enhancements will take effect from **Tuesday, 3 July 2018 (Effective Date)**:

1. Introduction of a New Trading Fee Structure

A new 3-Tier trading fee structure will be introduced to reduce the transaction cost in trading stock futures:

Tier	Nominal Value Per Contract (in HK\$)	Existing Trading Fee Per Contract (in HK\$)		New Trading Fee Per Contract (in HK\$)	
		Standard (House / Client)	Market Maker	Standard (House / Client)	Market Maker
1	>\$25,000	\$3.50	\$0.50	\$3.00	\$0.50
2	>\$10,000 – \$25,000			\$1.00	\$0.15
3	≤ \$10,000			\$0.50	\$0.07

The full list of the stock futures and the new tier levels are specified in Attachment I.

In addition, the Exchange will review the tier levels on an annual basis to adjust for any substantial change in the nominal value due to market development, or as and when there are capital adjustments to the underlying stock. The next annual review will be implemented in January 2019.

For the avoidance of doubt, the trading fee waiver announced in the circular (ref: [MKD/EQD/06/18](#)) dated 14 February 2018 regarding the new incentive programs for stock futures will be applied to all stock futures trading on or before 31 August 2018, unless otherwise specified.

2. Reduction of Settlement Fee

The settlement fee for all stock futures contracts will be reduced from HK\$10 per contract to HK\$2 per contract.

3. Introduction of Liquidity Provider Program

The Exchange now invites applications of Liquidity Provider (LP) for 10 selected stock futures contracts (see program details in Attachment II). Interested parties should contact Ms. Montassya Hutaaruk (MontassyaHutaaruk@hkex.com.hk), Mr Charles Kwan (CharlesKwan@hkex.com.hk) or Mr Joe Huang (JoeHuang@hkex.com.hk) for details.

4. Revision of Proprietary Trader Program

Reference is made to the circular (Ref: [MKD/EQD/30/17](#)) dated 15 December 2017 on the incentives program for equity derivatives products. Please note that the obligations of Proprietary Trader for 10 selected stock futures (Stock Futures Basket) shall be revised¹ (see details in Attachment III). Interested parties should contact Mr Joe Huang (JoeHuang@hkex.com.hk) or Mr Charles Kwan (CharlesKwan@hkex.com.hk) for details.

5. Revision of Final Settlement Price Determination

The determination of the Final Settlement Price (FSP) shall be revised as follows:

	Existing Method	New Method
FSP	The average of (i) the midpoints of the best bid and best ask for the underlying stock taken at five-minute intervals from five minutes after the start of, and up to five minutes before the end of, the Continuous Trading Session of the Stock Exchange of Hong Kong (SEHK) and (ii) the closing price of the underlying stock as quoted by SEHK on the Last Trading Day (LTD).	The official closing price of the underlying stock as quoted by SEHK on the LTD.

For the avoidance of doubt, the FSP of the contract months with LTD prior to the Effective Date (i.e. May and June 2018 expiries) will be determined by the existing method and the FSP of the contract months with LTD later than the Effective Date will be determined by the new method.

If no official closing price is available on the LTD due to events such as typhoon or black rainstorm warning, or trading suspension of the underlying stock, the FSP shall be the last available official closing price of the underlying stock before the LTD.

¹ The revised obligations will be applied to existing Proprietary Traders as well.

6. Trading Arrangement in case of Prolonged Trading Suspension in the Underlying Stock

If the underlying stock has been suspended for trading for three months or more, or has been approved for privatization, the Chief Executive, in consultation with the Commission, may discontinue the trading of the stock futures contract.

Relevant rule amendments will be announced via a separate circular.

Inform Your Staff and Clients

Participants should notify all interested clients about the enhancement in stock futures market and ensure that your back office systems are ready for a smooth operation. In addition, staff should be fully aware of the above and exercise caution when dealing with stock futures contracts and when advising your clients.

Li Gang
Co-head
Market Development

This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.

List of Stock Futures and New Trading Fee Tier

a) Stock futures with contract size more than one underlying board lot shares

No.	SEHK Code	Underlying Stocks	HKATS Code	Contract Multiplier (shares)	No. of Board Lots	Tier No.
1	119	Poly Property Group Co., Ltd	POL	10,000	10	1
2	410	SOHO China Ltd.	SOH	10,000	20	1
3	493	GOME Electrical Appliances Holding Ltd	GOM	50,000	50	1
4	656	Fosun International Ltd	FOS	10,000	20	1
5	861	Digital China Holdings Ltd.	DIG	5,000	5	2
6	981	Semiconductor Manufacturing International Corporation	SMC	5,000	10	1
7	998	China CITIC Bank Corporation Ltd.	CTB	20,000	20	1
8	1055	China Southern Airlines Co. Ltd.	SOA	10,000	5	1
9	1060	Alibaba Pictures Group Ltd.	ALI	50,000	5	1
10	1288	Agricultural Bank of China Ltd.	ABC/ ABA*	10,000/ 50,000	10/ 50	1
11	1299	AIA Group Ltd.	AIA	1,000	5	1
12	1336	New China Life Insurance Co. Ltd.	NCL/ NCA*	1,000/ 5,000	10/ 50	1
13	1359	China Cinda Asset Management Co., Ltd.	CDA/ CDB*	5,000/ 50,000	5/ 50	2/ 1
14	1668	China South City Holdings Ltd.	CTY	10,000	5	2
15	1766	CRRC Corporation Ltd.	CRR	10,000	10	1
16	1816	CGN Power Co., Ltd.	CGN/ CGA*	10,000/ 50,000	10/ 50	2/ 1
17	1918	Sunac China Holdings Ltd.	SUN/ SUA*	2,000/ 10,000	2/ 10	1
18	1988	China Minsheng Banking Corp., Ltd.	MSB/ MSA*	10,000/ ~12,000*	20	1
19	2007	Country Garden Holdings Co. Ltd.	COG	5,000	5	1
20	2018	AAC Technologies Holdings Inc.	AAC	1,000	2	1
21	2238	Guangzhou Automobile Group Co., Ltd.	GAC/ GAA*/ GAB*	4,000/ 10,000/ ~5,600	2/ 5/ ~2.8	1
22	2333	Great Wall Motor Co. Ltd.	GWM	10,000	20	1
23	2357	AviChina Industry & Technology Co. Ltd.	AVI	10,000	10	1
24	2382	Sunny Optical Technology (Group) Co. Ltd.	SNO	1,000	10	1
25	2800	Tracker Fund of Hong Kong	TRF	50,000	100	1
26	2822	CSOP FTSE China A50 ETF	CSA	5,000	25	1

No.	SEHK Code	Underlying Stocks	HKATS Code	Contract Multiplier (shares)	No. of Board Lots	Tier No.
27	2823	iShares FTSE A50 China Index ETF	A50	5,000	50	1
28	2828	Hang Seng China Enterprises Index ETF	HCF	5,000	25	1
29	2883	China Oilfield Services Ltd.	CHO	10,000	5	1
30	3188	China AMC CSI 300 index ETF	AMC	2,000	10	1
31	3333	Evergrande Real Estate Group Ltd.	EVG/ EVA*	2,000/ 20,000	2/ 20	1
32	6030	CITIC Securities Co. Ltd.	CTS	1,000	2	2
33	6837	Haitong Securities Co. Ltd.	HAI	10,000	25	1
34	6886	Huatai Securities Co., Ltd.	HTS	10,000	50	1

b) Stock futures with contract size equal to one underlying board lot shares

No.	SEHK Code	Underlying Stocks	HKATS Code	Contract Multiplier (shares)	Tier No.
1	1	CK Hutchison Holdings Ltd.	CKH	500	1
2	2	CLP Holdings Ltd.	CLP	500	1
3	3	The Hong Kong and China Gas Company Ltd.	HKG/ HKA*	1,000/ ~1,100	2
4	4	The Wharf (Holdings) Ltd.	WHL	1,000	1
5	5	HSBC Holdings Plc.	HKB	400	1
6	6	Power Assets Holdings Ltd.	HEH/ HEB*	500/ ~547	1
7	11	Hang Seng Bank Ltd.	HSB	100	2
8	12	Henderson Land Development Company Ltd.	HLD/ HLA*	1,000/ ~1,100	1
9	16	Sun Hung Kai Properties Ltd.	SHK	1,000	1
10	17	New World Development Company Ltd.	NWD	1,000	2
11	19	Swire Pacific Limited 'A'	SWA	500	1
12	23	The Bank of East Asia, Ltd.	BEA	200	3
13	66	MTR Corporation Ltd.	MTR	500	2
14	267	CITIC Pacific Ltd.	CIT	1,000	2
15	293	Cathay Pacific Airways Ltd.	CPA	1,000	2
16	386	China Petroleum & Chemical Corporation	CPC	2,000	2
17	388	Hong Kong Exchanges and Clearing Ltd.	HEX	100	2
18	494	Li & Fung Ltd.	LIF/ LIA*	2,000/ ~2,256	3
19	700	Tencent Holdings Ltd.	TCH/ TCA*	100/ 1,000	1
20	728	China Telecom Corporation Ltd.	CTC/	2,000/	3/

No.	SEHK Code	Underlying Stocks	HKATS Code	Contract Multiplier (shares)	Tier No.
			CTD*	10,000	1
21	762	China Unicom (Hong Kong) Ltd.	CHU	2,000	2
22	857	PetroChina Company Ltd.	PEC	2,000	2
23	874	Guangzhou Baiyunshan Pharmaceutical Holdings Co. Ltd.	BAI	2,000	1
24	883	CNOOC Ltd.	CNC	1,000	3
25	902	Huaneng Power International, Inc.	HNP	2,000	2
26	939	China Construction Bank Corporation	CCB	1,000	3
27	941	China Mobile Ltd.	CHT	500	1
28	1088	China Shenhua Energy Co. Ltd.	CSE/ CSC*	500/ 10,000	3/ 1
29	1171	Yanzhou Coal Mining Co. Ltd.	YZC/ YZA*	2,000/ 10,000	2/ 1
30	1398	Industrial and Commercial Bank of China Ltd.	ICB	1,000	3
31	1800	China Communications Construction Company Ltd.	CCC	1,000	2
32	1898	China Coal Energy Co. Ltd.	CCE/ CCD*	1,000/ 10,000	3/ 1
33	2318	Ping An Insurance (Group) Company of China, Ltd.	PAI	500	1
34	2328	PICC Property and Casualty Company Ltd.	PIC/ PIA*	2,000/ ~2,998	1
35	2388	BOC Hong Kong (Holdings) Ltd.	BOC	500	2
36	2600	Aluminum Corporation of China Ltd.	ALC	2,000	2
37	2628	China Life Insurance Company Ltd.	CLI	1,000	2
38	2899	Zijin Mining Group Co., Ltd.	ZJM/ ZJA*	2,000/ 10,000	3/ 1
39	3328	Bank of Communications Co., Ltd.	BCM	1,000	3
40	3888	Kingsoft Corporation Ltd	KSO/ KSA*	1,000/ 5,000	2/ 1
41	3968	China Merchants Bank Co., Ltd.	CMB	500	2
42	3988	Bank of China Limited	BCL	1,000	3

* Adjusted contracts

Liquidity Provider Program

1. LP will be required to provide continuous quotes in any of the stock futures contracts below:

Stock Code	Underlying Stock	Assigned Contract Months	Minimum % Trading Hours Coverage	Minimum Quote Quantity	Maximum Bid / Offer Spread
5	HSBC Holdings Plc.	Spot and next months	70%	10 contracts	0.2% of bid price plus the best bid / offer spread of underlying stock
388	Hong Kong Exchanges and Clearing Limited				
700	Tencent Holdings Ltd.				
939	China Construction Bank Corporation				
941	China Mobile Limited				
1398	Industrial and Commercial Bank of China Limited				
2318	Ping An Insurance (Group) Company of China, Ltd.				
2822	CSOP FTSE China A50 ETF				
2823	iShares FTSE A50 China Index ETF				
3188	China AMC CSI300 Index ETF				

Note: LP shall not be required to fulfil liquidity providing requirements during the first five minutes of each morning trading session.

2. LP will be entitled to the following incentives:

- (a) Discount in trading fee if the LP obligation is fulfilled;

Tier	Nominal Value Per Contract (in HK\$)	Trading Fee Per Contract (in HK\$)	
		Standard	Liquidity Provider
1	>\$25,000	\$3.00	\$0.50
2	>\$10,000 – \$25,000	\$1.00	\$0.15
3	≤ \$10,000	\$0.50	\$0.07

- (b) Waiver of two OMnet Application Programming Interface (OAPI) monthly sub-licence fee (i.e. HK\$5,200 per month or equivalent) per selected stock futures contract; and

- (c) Waiver of one-off fee for applying for an increase in the Central Gateway throughput rate (Securities Throttle) by one standard Securities Throttle rate² (i.e. HK\$50,000) per selected stock futures contract.

² A maximum total of 50 Securities Throttles waivers will be granted to LPs and market makers (on a first-come-first-serve basis).

Proprietary Trader Program

1. Reference is made to the circular (Ref: [MKD/EQD/30/17](#)) dated 15 December 2017 on the incentives program for equity derivatives products. Please note that the obligations of Proprietary Trader for 10 selected stock futures (Stock Futures Basket) shall be revised:

PT Category	Minimum Aggregated Monthly Clearing Volume of Stock Futures Basket	
	Existing	New
Type 1	20,000 contracts	10,000 contracts
Type 2	10,000 contracts	5,000 contracts
Type 3	5,000 contracts	2,500 contracts
Type 4	2,000 contracts	1,000 contracts
Type 5	1,000 contracts	500 contracts
Type 6	500 contracts	250 contracts

2. For ease of reference, PT will be offered fee rebates (up to a maximum amount per month) in the following items upon fulfilment of its obligations:

PT Category	Maximum Incentives per month (in HKD)			Max Total per month
	Combinations of:			
	Cross-product trading fee rebate in Hang Seng Index Futures (HSIF), Hang Seng China Enterprises Index Futures (HHIF) and USD/CNH Futures (CNHF)	Market Data Fee Rebate ³ (Derivatives/Securities)	Hosting Services Fee Rebate	
Type 1	Up to \$100,000 in total			\$100,000
Type 2	Up to \$50,000 in total			\$50,000
Type 3	Up to \$25,000 in total			\$25,000
Type 4	Up to \$10,000 in total			\$10,000
Type 5	Up to \$5,000 in total			\$5,000
Type 6	Up to \$2,500 in total			\$2,500

Details of cross-product trading fee rebate are as follows:

Product	HSIF*	HHIF*	CNHF** ⁴
Trading Fee Rebate Per Contract	HK\$6.50 (i.e. 65% rebate)	HK\$2.50 (i.e. 71% rebate)	RMB 3.00 (i.e. 37% rebate)

Notes: * Clearing volumes of HSIF / HHIF which have been claimed for trading fee discount by HSI/HHI options market makers are not entitled for further trading fee rebate.

³ Market data fee rebate includes relevant licence fees, connection fees and usage fees.

⁴ CNHF fee rebate will be converted to HK dollars based on the foreign exchange rate at the time of payment calculation.

** Clearing volumes of CNHF which have been claimed for trading fee rebate by CNHF Active Traders are not entitled to further trading fee rebate. In addition, 100% of trading fee rebate (i.e. RMB 8) will be offered to CNHF LP if they meet the obligation and the trading fee rebate will not be counted in the rebate amount in cross-product trading fees.