

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: Introduction of MSCI Asia and Emerging Market Index Futures and Options Suite - Update

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Reference is made to the circular (ref: [MKD/EQD/07/20](#)) dated 1 June 2020 regarding the introduction of MSCI Asia and Emerging Market Index Futures and Options Suite (“the Contracts”). Hong Kong Futures Exchange Limited (“the Exchange” or “HKFE”) is pleased to announce the following updated arrangement:

1. Product List and Launch Schedule for USD denominated Futures Contracts

The following Contracts (i.e. Contracts # 1-33) have been approved by the Securities and Futures Commission and will be introduced in phases:

¹ All calls to the HKATS hotline would be recorded. Please refer to the following link for HKEX privacy policy statement: http://www.hkex.com.hk/eng/global/privacy_policy.htm

Contracts	Launch Date
<ol style="list-style-type: none"> 1. MSCI Taiwan (USD) Index Futures 2. MSCI Taiwan Net Total Return (USD) Index Futures 3. MSCI Japan Net Total Return (USD) Index Futures 4. MSCI India Net Total Return (USD) Index Futures 5. MSCI China Free Net Total Return (USD) Index Futures 6. MSCI Indonesia Net Total Return (USD) Index Futures 7. MSCI Australia Net Total Return (USD) Index Futures 8. MSCI Thailand Net Total Return (USD) Index Futures 9. MSCI Malaysia Net Total Return (USD) Index Futures 10. MSCI EM Asia Net Total Return (USD) Index Futures 	6 July 2020
<ol style="list-style-type: none"> 11. MSCI Singapore Net Total Return (USD) Index Futures² 12. MSCI Vietnam Net Total Return (USD) Index Futures 13. MSCI Hong Kong Net Total Return (USD) Index Futures 14. MSCI Philippines Net Total Return (USD) Index Futures 15. MSCI Indonesia (USD) Index Futures 16. MSCI Emerging Markets Net Total Return (USD) Index Futures 17. MSCI Emerging Markets (USD) Index Futures 	20 July 2020
<ol style="list-style-type: none"> 18. MSCI India (USD) Index Futures 19. MSCI China Free (USD) Index Futures 20. MSCI Thailand (USD) Index Futures 21. MSCI Malaysia (USD) Index Futures 22. MSCI Philippines (USD) Index Futures 23. MSCI Vietnam (USD) Index Futures 24. MSCI Singapore Free Net Total Return (USD) Index Futures³ 25. MSCI New Zealand Net Total Return (USD) Index Futures 	3 August 2020
<ol style="list-style-type: none"> 26. MSCI EM ex China Net Total Return (USD) Index Futures 27. MSCI EM ex Korea Net Total Return (USD) Index Futures 28. MSCI EM Asia ex China Net Total Return (USD) Index Futures 29. MSCI EM Asia ex Korea Net Total Return (USD) Index Futures 30. MSCI EM EMEA Net Total Return (USD) Index Futures 31. MSCI EM LatAm Net Total Return (USD) Index Futures 32. MSCI Pacific Net Total Return (USD) Index Futures 33. MSCI Pacific ex Japan Net Total Return (USD) Index Futures 	17 August 2020

² Subject to final comment from the Monetary Authority of Singapore (MAS)

³ Subject to final comment from MAS

2. Expected Product List and Launch Schedule for Japanese Yen (JPY) Denominated Futures, Singapore Dollar (SGD) Denominated Futures and USD Denominated Options Contracts

Below are the tentative launch dates for JPY denominated futures, SGD denominated futures and USD denominated options (i.e. Contracts # 34-37). More details for these Contracts will be announced in due course.

Contracts	Tentative Launch Date
34. MSCI Singapore Free (SGD) Index Futures ⁴ 35. MSCI Japan (JPY) Index Futures 36. MSCI Japan Net Total Return (JPY) Index Futures	17 August 2020
37. MSCI Taiwan (USD) Index Options	Q4 2020

3. Contract Specifications

Details of the contract specifications are set forth in Attachment I. Relevant rule amendments will be announced via separate circular.

4. Trading Arrangements

Pre-Launch Arrangements

To facilitate market participants in the trading and clearing of the Contracts, the following pre-launch arrangements will be made available one business day before the Launch Date:

- a. Trading codes will be displayed on HKATS, but the Contracts will not be tradable on that day; and
- b. Information relating to the Contracts will be generated in the risk parameter files (“RPF”), clearing and open interest reports.

The purpose of the generation of RPF one business day before the Launch Date is to assist Participants to estimate the margin requirements for trading on the Launch Date.

Please note that the margin requirements estimated using the RPF available on the business day before the Launch Date may not be the same as the actual amounts required on the Launch Date. Hong Kong Exchanges and Clearing Limited (“HKEX”) and its subsidiaries accept no liability

⁴ Subject to final comment from MAS

whatsoever for any loss or damage arising from or in connection with the use of the information contained in such RPF. Participants who wish to use the above-mentioned RPF are reminded to update the PC-SPAN Organisation Master File.

Other Trading Arrangements

- a. The following contract months will be available for trading from the Launch Date:

Contracts	Launch Date	Contract Months Available from Launch Date							
		2020					2021		
		Jul	Aug	Sep	Oct	Dec	Mar	Jun	Sep
Contract #1-10	6 July 2020	Yes	Yes	Yes		Yes	Yes	Yes	
Contract #11-17	20 July 2020		Yes	Yes		Yes	Yes	Yes	Yes
Contract #18-25	3 August 2020		Yes	Yes		Yes	Yes	Yes	Yes
Contract #26-33	17 August 2020			Yes	Yes	Yes	Yes	Yes	Yes
Contract #34-36	17 August 2020 (tentative)			Yes	Yes	Yes	Yes	Yes	Yes

- b. The block trade volume threshold is 25 contracts for net total return Contracts and 50 contracts for price return Contracts;
- c. The block trade permissible price range is 3% (see details in Attachment II).;
- d. The error trade price parameter is 3% from notation price (see details in Attachment II).;
- e. Volatility Control Mechanism and price limit will not be applied during T session;
- f. Price limit will be applied in the T+1 session. The price limit will be +/-5% from the last traded price of each contract month for the respective Contracts in the T Session. If there is no last traded price of a specific contract month during the T Session, the previous day's daily settlement price of the same contract month will be used as the reference price. For newly listed contract months, the reference price of the preceding contract month will apply; and
- g. The maximum HKATS order size limit is 1,000 contracts. Exchange Participants are required to submit their request to HKFE for setting up their own order size limits based on their business needs and risk management requirements.

5. Clearing and Settlement Arrangements

To be eligible for clearing and settlement of the Contracts, Clearing Participants (“CPs”) of the HKFE Clearing Corporation Limited (“HKCC”) need to arrange for the following:

- a. CPs who plan to clear the USD denominated futures contracts need to arrange for USD settlement capability, including having an **active** USD bank account with any of the appointed settlement banks appointed by HKCC;
- b. CPs who plan to clear the JPY denominated futures contracts need to arrange for JPY settlement capability, including having an **active** JPY bank account with any of the appointed settlement banks appointed by HKCC; and
- c. CPs who plan to clear the SGD denominated futures contracts need to arrange for SGD settlement capability, including having an **active** SGD bank account with any of the settlement banks to be appointed by HKCC.

For more details of CPs’ readiness on clearing JPY and SGD futures, CPs can refer to the HKCC circular dated 1 June 2020 ([CD/CDCO/HKCC/115/2020](#)). CPs are requested to ensure that these bank accounts are in active status and ready for cash settlement. Non-Clearing Participants should contact their General Clearing Participants to ascertain their eligibility of clearing the Contracts.

6. Risk Management Arrangements

Key risk management arrangements are set out below:

- a. In order to support the clearing of SGD denominated futures contracts, HKCC will accept SGD as cash collateral to facilitate CPs to meet their margin requirements.
- b. Margin offset among certain Contracts will be offered in PRiME⁵. CPs could allocate the eligible positions to relevant account(s)⁶ in accordance with the Clearing House Procedures for margin offset claim purpose. Margin levels and margin offset parameters⁷ for the Contracts will be announced and an update of PC-SPAN Organisation Master File will be made available in due course.

More details of the risk management arrangements will be provided in HKCC circular in due course.

⁵ Please refer to section 2.7 of [PRiME Margining Guide](#) for details.

⁶ Client Offset Claim Account

⁷ Delta/Spread Ratio and Spread Credit Rate

7. Information Vendor Access Code

The access codes of information vendors for the underlying indices can be found in Attachment III. The access codes of information vendors for the Contracts will be available on HKEX's website ([link](#)) in due course.

8. SFC Commission Levy Exemption

The Commission Levy will be exempted for the first six months of trading. Participants are advised to inform their clients of the Commission Levy exemption accordingly.

Contracts	SFC Commission Levy Exemption Effective Period
Contract #1-10	From 6 July 2020 (Monday) to the close of T session on 5 January 2021 (Tuesday)
Contract #11-17	From 20 July 2020 (Monday) to the close of T session on 19 January 2021 (Tuesday)
Contract #18-25	From 3 August 2020 (Monday) to the close of T session on 2 February 2021 (Tuesday)
Contract #26-33	From 17 August 2020 (Monday) to the close of T session on 16 February 2021 (Tuesday)
Contract #34-36	From 17 August 2020 (Monday) to the close of T session on 16 February 2021 (Tuesday) (<i>Tentative</i>)
Contract #37	First 6 months of trading (launch date in Q4 2020 tentatively)

9. Liquidity Provider and other Incentive Programs

The Exchange will introduce three incentives programs, namely Liquidity Provider ("LP") Program, Proprietary Trader ("PT") Program and Block Trade Participant ("BTP") Program to support the liquidity development of the Contracts. Please refer to Attachment IV for program details. Interested parties should contact Ms. Emily Huang (EmilyHuang@hkex.com.hk) and Mr. Raymond Wong (RaymondCWWong@hkex.com.hk) for application information.

10. Participants' Readiness

Participants are required to notify their staff and all interested clients of the details of the Contracts. Please ensure that all trading, clearing, and back office systems, including OAPI program and other operational arrangements are ready in order for a smooth operation upon the introduction. In addition, staff should be fully aware of the above and should exercise caution when dealing with the Contracts and when advising their client.

To ensure smooth implementation, Participants are recommended to confirm their readiness by completing the following return forms before the deadline if they wish to participate at product launch:

Types of Contracts	Return Form	Deadline to return form
USD denominated futures	USD Futures Readiness Form (Online form)	29 June 2020 (Monday)
SGD denominated futures	SGD Futures Readiness Form (Online form)	27 July 2020 (Monday)
JPY denominated futures	JPY Futures Readiness Form (Online form)	27 July 2020 (Monday)

Participants who wish to participate in SGD denominated futures and/or JPY denominated futures during the two-week stabilization after product launch will be required to confirm their readiness by completing the return forms before the deadline.

Alexander Siu
Co-head of Equities Product Development
Markets Division

Contract Specifications

Contracts #1-5 (launch date: 6 July 2020)

No.	1	2	3	4	5
Contracts	MSCI Taiwan (USD) Index Futures	MSCI Taiwan Net Total Return (USD) Index Futures	MSCI Japan Net Total Return (USD) Index Futures	MSCI India Net Total Return (USD) Index Futures	MSCI China Free Net Total Return (USD) Index Futures
Underlying Index	MSCI Taiwan Index	MSCI Taiwan Net Total Return Index	MSCI Japan Net Total Return Index	MSCI India Net Total Return Index	MSCI China Free Net Total Return Index
HKATS Code	MTW	MWN	MJU	MIN	MCN
Trading Currency	USD	USD	USD	USD	USD
Underlying Currency	TWD	USD	USD	USD	USD
Contract Multiplier	USD 100	USD 100	USD 10	USD 100	USD 50
Minimum Fluctuation (Index Point)	0.10	0.001	0.01	0.001	0.001
Contract Months	2 nearest serial months and the following 4 quarterly months				
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)				
Trading Hours on LTD	9:00am-1:45pm	9:00am-4:30pm	9:00am-4:30pm	9:00am-4:30pm	9:00am-4:30pm
Last Trading Day (LTD)	Second last Hong Kong business day of the month. If it falls on a Taiwan public holiday, the LTD will be the preceding Hong Kong and Taiwan business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day
Final Settlement Day	1 Hong Kong business day after FSP is determined				
Final Settlement Price (FSP)	The average of the underlying Index values on the LTD taken at (i) 1-minute intervals during the last 25 minutes of trading on the Taiwan Stock Exchange Corporation before the end of the continuous trading session, and (ii) the closing index value, rounded to the nearest 2 decimal places	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places^	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places^	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places^	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places^

No.	1	2	3	4	5
Contracts	MSCI Taiwan (USD) Index Futures	MSCI Taiwan Net Total Return (USD) Index Futures	MSCI Japan Net Total Return (USD) Index Futures	MSCI India Net Total Return (USD) Index Futures	MSCI China Free Net Total Return (USD) Index Futures
Trading Fee	USD 1.00	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Settlement Fee	USD 1.00	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Commission Levy ⁸	USD 0.07	USD 0.07	USD 0.07	USD 0.07	USD 0.07
Large Open Position	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month
Position Limit	20,000 net contracts long or short across all Contract Months	20,000 net contracts long or short across all Contract Months	58,000 net contracts long or short across all Contract Months	20,000 net contracts long or short across all Contract Months	35,000 net contracts long or short across all Contract Months

⁸ If MSCI announces there is an unexpected market closure event on LTD, FSP shall be based on the final Unexpected Market Closure Index level published by MSCI.

⁸ The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

Contracts # 6-10 (launch date: 6 July 2020)

No.	6	7	8	9	10
Contracts	MSCI Indonesia Net Total Return (USD) Index Futures	MSCI Australia Net Total Return (USD) Index Futures	MSCI Thailand Net Total Return (USD) Index Futures	MSCI Malaysia Net Total Return (USD) Index Futures	MSCI EM Asia Net Total Return (USD) Index Futures
Underlying Index	MSCI Indonesia Net Total Return Index	MSCI Australia Net Total Return Index	MSCI Thailand Net Total Return Index	MSCI Malaysia Net Total Return Index	MSCI EM Asia Net Total Return Index
HKATS Code	MDN	MAN	MTN	MMN	EAN
Trading Currency	USD	USD	USD	USD	USD
Underlying Currency	USD	USD	USD	USD	USD
Contract Multiplier	USD 10	USD 10	USD 10	USD 100	USD 100
Minimum Fluctuation (Index Point)	0.01	0.01	0.001	0.001	0.001
Contract Months	2 nearest serial months and the following 4 quarterly months				
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)				
Trading Hours on LTD	9:00am-4:30pm				
Last Trading Day (LTD)	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day
Final Settlement Day	1 Hong Kong business day after FSP is determined				
Final Settlement Price (FSP)	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]
Trading Fee	USD 0.60	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Settlement Fee	USD 0.60	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Commission Levy ⁹	USD 0.07	USD 0.07	USD 0.07	USD 0.07	USD 0.07
Large Open Position	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month
Position Limit	10,000 net contracts long or short across all Contract Months	21,000 net contracts long or short across all Contract Months	24,000 net contracts long or short across all Contract Months	5,000 net contracts long or short across all Contract Months	110,000 net contracts long or short across all Contract Months

[^] If MSCI announces there is an unexpected market closure event on LTD, FSP shall be based on the final Unexpected M Closure Index level published by MSCI.

⁹ The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

Contracts # 11-14 (launch date: 20 July 2020)

No.	11	12	13	14
Contracts	MSCI Singapore Net Total Return (USD) Index Futures	MSCI Vietnam Net Total Return (USD) Index Futures	MSCI Hong Kong Net Total Return (USD) Index Futures	MSCI Philippines Net Total Return (USD) Index Futures
Underlying Index	MSCI Singapore Net Total Return Index	MSCI Vietnam Net Total Return Index	MSCI Hong Kong Net Total Return Index	MSCI Philippines Net Total Return Index
HKATS Code	MSN	MVN	MHN	MPN
Trading Currency	USD	USD	USD	USD
Underlying Currency	USD	USD	USD	USD
Contract Multiplier	USD 5	USD 50	USD 1	USD 50
Minimum Fluctuation (Index Point)	0.01	0.001	0.01	0.001
Contract Months	2 nearest serial months and the following 4 quarterly months			
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)			
Trading Hours on LTD	9:00am-4:30pm			
Last Trading Day (LTD)	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day
Final Settlement Day	1 Hong Kong business day after FSP is determined			
Final Settlement Price (FSP)	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]
Trading Fee	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Settlement Fee	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Commission Levy ¹⁰	USD 0.07	USD 0.07	USD 0.07	USD 0.07
Large Open Position	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month
Position Limit	20,000 net contracts long or short across all Contract Months	3,000 net contracts long or short across all Contract Months	8,000 net contracts long or short across all Contract Months	3,000 net contracts long or short across all Contract Months

[^] If MSCI announces there is an unexpected market closure event on LTD, FSP shall be based on the final Unexpected Market Closure Index level published by MSCI.

¹⁰ The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

Contracts # 15-17 (launch date: 20 July 2020)

No.	15	16	17
Contracts	MSCI Indonesia (USD) Index Futures	MSCI Emerging Markets Net Total Return (USD) Index Futures	MSCI Emerging Markets (USD) Index Futures
Underlying Index	MSCI Indonesia Index	MSCI Emerging Markets Net Total Return Index	MSCI Emerging Markets Index
HKATS Code	MID	EMN	MEM
Trading Currency	USD	USD	USD
Underlying Currency	IDR	USD	USD
Contract Multiplier	USD 2	USD 100	USD 50
Minimum Fluctuation (Index Point)	5.00	0.001	0.10
Contract Months	2 nearest serial months and the following 4 quarterly months		
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)		
Trading Hours on LTD	9:00am-4:30pm		
Last Trading Day (LTD)	Second last Hong Kong business day of the month. If it falls on a Indonesia public holiday, the LTD will be the preceding Hong Kong and Indonesia business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day
Final Settlement Day	1 Hong Kong business day after FSP is determined		
Final Settlement Price (FSP)	The average of the MSCI Indonesia Index on the LTD taken at (i) 1-minute intervals during the last 30 minutes of trading on the Indonesia Stock Exchange before the end of the continuous trading session, and (ii) the closing index value, rounded to the nearest 2 decimal places	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]
Trading Fee	USD 1.00	USD 0.60	USD 0.60
Settlement Fee	USD 1.00	USD 0.60	USD 0.60
Commission Levy ¹¹	USD 0.07	USD 0.07	USD 0.07
Large Open Position	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month
Position Limit	10,000 net contracts long or short across all Contract Months	110,000 net contracts long or short across all Contract Months	110,000 net contracts long or short across all Contract Months

[^] If MSCI announces there is an unexpected market closure event on LTD, FSP shall be based on the final Unexpected Closure Index level published by MSCI.

¹¹ The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

Contracts # 18-21 (launch date: 3 August 2020)

No.	18	19	20	21
Contracts	MSCI India (USD) Index Futures	MSCI China Free (USD) Index Futures	MSCI Thailand (USD) Index Futures	MSCI Malaysia (USD) Index Futures
Underlying Index	MSCI India Index	MSCI China Free Index	MSCI Thailand Index	MSCI Malaysia Index
HKATS Code	MDA	MCU	MTH	MMY
Trading Currency	USD	USD	USD	USD
Underlying Currency	INR	USD	THB	MYR
Contract Multiplier	USD 50	USD 5	USD 20	USD 20
Min Fluctuation (Index Point)	0.20	2.00	0.25	0.25
Contract Months	2 nearest serial months and the following 4 quarterly months			
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)			
Trading Hours on LTD	9:00am-4:30pm	9:00am-4:30pm	9:00am-4:30pm	9:00am-4:30pm
Last Trading Day (LTD)	Last Thursday of the expiring contract month. If it falls on a Hong Kong or India public holiday, the LTD will be the preceding Hong Kong and India business day	Second last Hong Kong business day of the month, provided it's a common business day on which all component stocks of the index are open for trading. If not, it shall be the common business day immediately preceding the second last business day	Second last Hong Kong business day of the month. If it falls on a Thailand public holiday, the LTD will be the preceding Hong Kong and Thailand business day	Last Hong Kong business day of the month. If it falls on a Malaysia public holiday, the LTD will be the preceding Hong Kong and Malaysia business day
Final Settlement Day	1 Hong Kong business day after FSP is determined			
Final Settlement Price (FSP)	The official closing value of the underlying index for the LTD, rounded to the nearest 2 decimal places	The official closing value of the underlying index for the LTD, rounded to the nearest 2 decimal places	The average of the MSCI Thailand Index on the LTD taken at (i) 1-minute intervals during the last 15 minutes of trading on the Stock Exchange of Thailand before the end of the continuous trading session, and (ii) the closing index value, rounded to the nearest 2 decimal places	The average of the MSCI Malaysia Index on the LTD taken at (i) 1-minute intervals during the last 60 minutes of trading on the Bursa Malaysia Berhad before the end of the continuous trading session, and (ii) the closing index value, rounded to the nearest 2 decimal places
Trading Fee	USD 1.00	USD 1.00	USD 1.00	USD 1.00
Settlement Fee	USD 1.00	USD 1.00	USD 1.00	USD 1.00
Commission Levy ¹²	USD 0.07	USD 0.07	USD 0.07	USD 0.07

¹² The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

No.	18	19	20	21
Contracts	MSCI India (USD) Index Futures	MSCI China Free (USD) Index Futures	MSCI Thailand (USD) Index Futures	MSCI Malaysia (USD) Index Futures
Large Open Position	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month
Position Limit	15,000 net contracts long or short across all Contract Months	35,000 net contracts long or short across all Contract Months	28,000 net contracts long or short across all Contract Months	11,000 net contracts long or short across all Contract Months

Contracts # 22-25 (launch date: 3 August 2020)

No.	22	23	24	25
Contracts	MSCI Philippines (USD) Index Futures	MSCI Vietnam (USD) Index Futures	MSCI Singapore Free Net Total Return (USD) Index Futures	MSCI New Zealand Net Total Return (USD) Index Futures
Underlying Index	MSCI Philippines Index	MSCI Vietnam Index	MSCI Singapore Free Net Total Return Index	MSCI New Zealand Net Total Return Index
HKATS Code	MPH	MVT	MGN	MNZ
Trading Currency	USD	USD	USD	USD
Underlying Currency	PHP	VND	USD	USD
Contract Multiplier	USD 10	USD 20	USD 50	USD 100
Minimum Fluctuation (Index Point)	1.00	0.10	0.001	0.001
Contract Months	2 nearest serial months and the following 4 quarterly months			
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)			
Trading Hours on LTD	9:00am-3:45pm	9:00am-4:00pm	9:00am-4:30pm	9:00am-4:30pm
Last Trading Day (LTD)	Second last Hong Kong business day of the month. If it falls on a Philippines public holiday, the LTD will be the preceding Hong Kong and Philippines business day	Second last Hong Kong business day of the month. If it falls on a Vietnam public holiday, the LTD will be the preceding Hong Kong and Vietnam business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day
Final Settlement Day	1 Hong Kong business day after FSP is determined			
Final Settlement Price (FSP)	The official closing value of the underlying index for the LTD, rounded to the nearest 2 decimal places	The official closing value of the underlying index for the LTD, rounded to the nearest 2 decimal places	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]	The official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]
Trading Fee	USD 1.00	USD 1.00	USD 0.60	USD 0.60
Settlement Fee	USD 1.00	USD 1.00	USD 0.60	USD 0.60
Commission Levy ¹³	USD 0.07	USD 0.07	USD 0.07	USD 0.07
Large Open Position	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month
Position Limit	10,000 net contracts long or short across all Contract Months	5,000 net contracts long or short across all Contract Months	20,000 net contracts long or short across all Contract Months	3,000 net contracts long or short across all Contract Months

[^] If MSCI announces there is an unexpected market closure event on LTD, FSP shall be based on the final Unexpected Market Closure Index level published by MSCI.

¹³ The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

Contracts # 26-29 (launch date: 17 August 2020)

No.	26	27	28	29
Contracts	MSCI EM ex China Net Total Return (USD) Index Futures	MSCI EM ex Korea Net Total Return (USD) Index Futures	MSCI EM Asia ex China Net Total Return (USD) Index Futures	MSCI EM Asia ex Korea Net Total Return (USD) Index Futures
Underlying Index	MSCI EM ex China Net Total Return Index	MSCI EM ex Korea Net Total Return Index	MSCI EM Asia ex China Net Total Return Index	MSCI EM Asia ex Korea Net Total Return Index
HKATS Code	MXC	MXK	MAC	MAK
Trading Currency	USD	USD	USD	USD
Underlying Currency	USD	USD	USD	USD
Contract Multiplier	USD 10	USD 10	USD 20	USD 20
Minimum Fluctuation (Index Point)	0.01	0.01	0.01	0.01
Contract Months	2 nearest serial months and the following 4 quarterly months			
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)			
Trading Hours on LTD	9:00am-4:30pm	9:00am-4:30pm	9:00am-4:30pm	9:00am-4:30pm
Last Trading Day (LTD)	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day
Final Settlement Day	1 Hong Kong business day after FSP is determined			
Final Settlement Price (FSP)	the official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]	the official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]	the official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]	the official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]
Trading Fee	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Settlement Fee	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Commission Levy ¹⁴	USD 0.07	USD 0.07	USD 0.07	USD 0.07
Large Open Position	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month
Position Limit	110,000 net contracts long or short across all Contract Months	110,000 net contracts long or short across all Contract Months	37,000 net contracts long or short across all Contract Months	90,000 net contracts long or short across all Contract Months

[^] If MSCI announces there is an unexpected market closure event on LTD, FSP shall be based on the final Unexpected Market Closure Index level published by MSCI.

¹⁴ The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

Contracts # 30-33 (launch date: 17 August 2020)

No.	30	31	32	33
Contracts	MSCI EM EMEA Net Total Return (USD) Index Futures	MSCI EM LatAm Net Total Return (USD) Index Futures	MSCI Pacific Net Total Return (USD) Index Futures	MSCI Pacific ex Japan Net Total Return (USD) Index Futures
Underlying Index	MSCI EM EMEA Net Total Return Index	MSCI EM LatAm Net Total Return Index	MSCI Pacific Net Total Return Index	MSCI Pacific ex Japan Net Total Return Index
HKATS Code	MEE	MEL	MPC	MPJ
Trading Currency	USD	USD	USD	USD
Underlying Currency	USD	USD	USD	USD
Contract Multiplier	USD 100	USD 100	USD 10	USD 10
Minimum Fluctuation (Index Point)	0.001	0.001	0.01	0.01
Contract Months	2 nearest serial months and the following 4 quarterly months			
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)			
Trading Hours on LTD	9:00am-4:30pm			
Last Trading Day (LTD)	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day
Final Settlement Day	1 Hong Kong business day after FSP is determined			
Final Settlement Price (FSP)	the official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]	the official closing value of the underlying index on the 3rd Friday, rounded to the nearest 3 decimal places [^]	the official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]	the official closing value of the underlying index on the 3rd Friday, rounded to the nearest 2 decimal places [^]
Trading Fee	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Settlement Fee	USD 0.60	USD 0.60	USD 0.60	USD 0.60
Commission Levy ¹⁵	USD 0.07	USD 0.07	USD 0.07	USD 0.07
Large Open Position	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month
Position Limit	61,000 net contracts long or short across all Contract Months	24,000 net contracts long or short across all Contract Months	78,000 net contracts long or short across all Contract Months	17,000 net contracts long or short across all Contract Months

[^] If MSCI announces there is an unexpected market closure event on LTD, FSP shall be based on the final Unexpected Market Closure Index level published by MSCI.

¹⁵ The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

Contracts #34-36 (draft contract specifications) (tentative launch date: 17 August 2020)

No.	34	35	36
Contracts	MSCI Singapore Free (SGD) Index Futures	MSCI Japan (JPY) Index Futures	MSCI Japan Net Total Return (JPY) Index Futures
Underlying Index	MSCI Singapore Free Index	MSCI Japan Index	MSCI Japan Net Total Return Index
HKATS Code	MSG	MJP	MJJ
Trading Currency	SGD	JPY	JPY
Underlying Currency	SGD	JPY	JPY
Contract Multiplier	SGD 100	JPY 2,500	JPY 1,000
Minimum Fluctuation (Index Point)	0.05	0.20	0.01
Contract Months	2 nearest serial months and the following 4 quarterly months		
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)		
Trading Hours on LTD	9:00am-4:30pm	9:00am-2:25pm	9:00am-4:30pm
Last Trading Day (LTD)	Second last Hong Kong business day of the month. If it falls on a Singapore public holiday, the LTD will be the preceding Hong Kong and Singapore business day	The day before the second Friday of the contract month. If it falls on a Hong Kong or Japan public holiday, the LTD will be the preceding Hong Kong and Japan business day	3rd Friday. If it falls on a Hong Kong public holiday, the LTD will be the preceding Hong Kong business day
Final Settlement Day	1 Hong Kong business day after FSP is determined		
Final Settlement Price (FSP)	The value of the MSCI Singapore Free Index computed based on the Special Quotation ¹⁶ methodology applied on each component stock of the Index on the Singapore business day following the LTD, rounded to the nearest 2 decimal places	The official closing value of the underlying index for the LTD, rounded to the nearest 2 decimal places	the official closing value of the underlying index for the LTD, rounded to the nearest 2 decimal places [^]
Trading Fee	SGD 1.40	JPY 65	JPY 65
Settlement Fee	SGD 1.40	JPY 65	JPY 65
Commission Levy ¹⁷	SGD 0.10	JPY 8	JPY 8
Large Open Position	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month	500 open contracts in any one Contract Month
Position Limit	25,000 net contracts long or short across all Contract Months	110,000 net contracts long or short across all Contract Months	110,000 net contracts long or short across all Contract Months

[^] If MSCI announces there is an unexpected market closure event on LTD, FSP shall be based on the final Unexpected Market Closure Index level published by MSCI.

¹⁶ The Special Quotation is calculated by MSCI using the first traded price of each component stock in the MSCI Singapore Free Index on the day following the Last Trading Day, irrespective of when these stocks first trade on the SGX trading day. If any component stock is not traded by SGX market close on the day following the Last Trading Day, the last official closing price of that stock will be used to calculate the Special Quotation.

¹⁷ The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

Contracts #37 (draft contract specifications) (tentative launch date in Q4 2020)

No.	37
Contracts	MSCI Taiwan (USD) Index Options
Underlying Index	MSCI Taiwan Index
HKATS Code	MTW
Trading Currency	USD
Underlying Currency	TWD
Contract Multiplier	USD 100
Minimum Fluctuation (Index Point)	0.10
Contract Months	2 nearest serial months and the following 4 quarterly months
Trading Hours	9:00am-4:30pm (T); 5:15pm-3:00am (T+1)
Trading Hours on LTD	9:00am-1:45pm
Last Trading Day (LTD)	Second last Hong Kong business day of the month. If it falls on a Taiwan public holiday, the LTD will be the preceding Hong Kong and Taiwan business day
Final Settlement Day	1 Hong Kong business day after FSP is determined
Official Settlement Price	The average of the MSCI Taiwan Index values on the LTD taken at (i) 1-minute intervals during the last 25 minutes of trading on the Taiwan Stock Exchange Corporation before the end of the continuous trading session, and (ii) the closing index value, rounded to the nearest 2 decimal places
Trading Fee	USD 0.10
Settlement Fee	USD 0.10
Commission Levy ¹⁸	USD 0.07
Large Open Position	500 open contracts in any one Contract Month
Position Limit	Position delta for MSCI Taiwan (USD) Index Futures and MSCI Taiwan (USD) Index Options combined of 20,000 long or short in all Contract Months combined

¹⁸ The Commission Levy is collected in the trading currency equivalent to HKD 0.54 at the exchange rate determined by HKFE from time to time. There will be Commission Levy exemption for the first six months of trading from Launch Date.

Attachment II

Block Trade Permissible Price Range

With reference to the HKFE rule 815A(5), the price at which a block trade is executed must be fair and reasonable, and the revised permissible price range for block trades is determined in the following manner:

- (a) When the executed price is at or within the range of highest traded price, lowest traded price, bid and ask price of the contract; or
- (b) When the executed price is within a price range to both sides of a reference price obtained through prevailing market prices, or if necessary, determined as the theoretical values based on the prevailing underlying values. The block trade permissible price range for the Contracts is 3%.

Error Trade Parameters

The price parameters for the purposes of the error trade rule under HKFE Rule 819B is 3% from notional price.

Note:

The notation price will be determined as follows:

- (a) The last traded price within 5 minutes prior to the error trade;
- (b) The mid-point of the best bid/ask price immediately prior to the error trade;
- (c) Last settlement price; or
- (d) The difference of notation prices between the related outright contracts (calendar spread only).

Notwithstanding the foregoing, the Exchange shall have absolute discretion in determining the notation price.

Information Vendor Access Code for Underlying Indices

Contracts	Underlying Index	Bloomberg Ticker	Refinitiv Ticker
MSCI Australia NTR (USD) Index Futures	MSCI Australia NTR	MBAU Index	.MIAU0000NUS
MSCI China Free (USD) Index Futures	MSCI China Free	M3CNX Index	.MICN0000FPUS
MSCI China Free NTR (USD) Index Futures	MSCI China Free NTR	M1CNX Index	.MICN0000FNUS
MSCI EM Asia ex China NTR (USD) Index Futures	MSCI EM Asia ex China NTR	M2CXECR Index	.MIMSh0000NUS
MSCI EM Asia ex Korea NTR (USD) Index Futures	MSCI EM Asia ex Korea NTR	M1CXAEKR Index	.MIMSk0000NUS
MSCI EM Asia NTR (USD) Index Futures	MSCI EM Asia NTR	M1MS Index	.MIMS0000NUS
MSCI EM EMEA NTR (USD) Index Futures	MSCI EM EMEA NTR	M1EE Index	.MIEE0000NUS
MSCI EM ex China NTR (USD) Index Futures	MSCI EM ex China NTR	M1CXBRVR Index	.MIEFH0000NUS
MSCI EM ex Korea NTR (USD) Index Futures	MSCI EM ex Korea NTR	M2CXAEKR Index	.MIEFk0000NUS
MSCI EM LatAm NTR (USD) Index Futures	MSCI EM LatAm NTR	M1LA Index	.MILA0000NUS
MSCI Emerging Markets (USD) Index Futures	MSCI Emerging Markets	MXEF Index	.MIEF0000PUS
MSCI Emerging Markets NTR (USD) Index Futures	MSCI Emerging Markets NTR	M1EF Index	.MIEF0000NUS
MSCI Hong Kong NTR (USD) Index Futures	MSCI Hong Kong NTR	M1HK Index	.MIHK0000NUS
MSCI India (USD) Index Futures	MSCI India	MXIN Index	.MIIN0000PIN
MSCI India NTR (USD) Index Futures	MSCI India NTR	M1IN Index	.MIIN0000NUS
MSCI Indonesia (USD) Index Futures	MSCI Indonesia	MXID Index	.MIID0000PID
MSCI Indonesia NTR (USD) Index Futures	MSCI Indonesia NTR	M0ID Index	.MIID0000NUS
MSCI Japan (JPY) Index Futures	MSCI Japan	MXJP Index	.MSCIJP
MSCI Japan NTR (JPY) Index Futures	MSCI Japan NTR	M7JP Index	.MIJP0000NJP
MSCI Japan NTR (USD) Index Futures	MSCI Japan NTR	M1JP Index	.MIJP0000NUS
MSCI Malaysia (USD) Index Futures	MSCI Malaysia	MXMY Index	.MIMY0000PMY
MSCI Malaysia NTR (USD) Index Futures	MSCI Malaysia NTR	M1MY Index	.MIMY0000NUS
MSCI New Zealand NTR (USD) Index Futures	MSCI New Zealand NTR	MBNZ Index	.MINZ0000NUS
MSCI Pacific ex Japan NTR (USD) Index Futures	MSCI Pacific ex Japan NTR	M1PCJ Index	.MIPCJ0000NUS
MSCI Pacific NTR (USD) Index Futures	MSCI Pacific NTR	M1PC Index	.MIPC0000NUS
MSCI Philippines (USD) Index Futures	MSCI Philippines	MXPH Index	.MIPH0000PPH
MSCI Philippines NTR (USD) Index Futures	MSCI Philippines NTR	M1PH Index	.MIPH0000NUS
MSCI Singapore Free (SGD) Index Futures	MSCI Singapore Free	SIMSCI Index	.MISG0000FPSG
MSCI Singapore Free NTR (USD) Index Futures	MSCI Singapore Free NTR	NDDUSGF Index	.MISG0000FNUS
MSCI Singapore NTR (USD) Index Futures	MSCI Singapore NTR	M1SG Index	.MISG0000NUS
MSCI Taiwan (USD) Index Futures	MSCI Taiwan	TAMSCI Index	.TAMSCI
MSCI Taiwan (USD) Index Options	MSCI Taiwan	TAMSCI Index	.TAMSCI
MSCI Taiwan NTR (USD) Index Futures	MSCI Taiwan NTR	M1TW Index	.MITW0000NUS
MSCI Thailand (USD) Index Futures	MSCI Thailand	MXTH Index	.MITH0000PTH
MSCI Thailand NTR (USD) Index Futures	MSCI Thailand NTR	M1TH Index	.MITH0000NUS
MSCI Vietnam (USD) Index Futures	MSCI Vietnam	MXVI Index	.MIVN0000PVN
MSCI Vietnam NTR (USD) Index Futures	MSCI Vietnam NTR	MSRIVTUN Index	.MIVN0000NUS

Liquidity Provider (LP) Program

1. The LP program aims to provide continuous quotes for price discovery and on-screen trading. There are two types of LP:

Tier 1 LP: 1 LP to provide liquidity for a basket of contracts in T and T+1 session (total 40 permits):

No.	Contracts	T	T+1
1	MSCI Taiwan (USD) Index Futures	1	1
2	MSCI Taiwan Net Total Return (USD) Index Futures	1	1
3	MSCI Japan Net Total Return (USD) Index Futures	1	1
4	MSCI India Net Total Return (USD) Index Futures	1	1
5	MSCI China Free Net Total Return (USD) Index Futures	1	1
6	MSCI Indonesia Net Total Return (USD) Index Futures	1	1
7	MSCI Australia Net Total Return (USD) Index Futures	1	1
8	MSCI Thailand Net Total Return (USD) Index Futures	1	
9	MSCI Malaysia Net Total Return (USD) Index Futures	1	
10	MSCI EM Asia Net Total Return (USD) Index Futures	1	1
11	MSCI Singapore Net Total Return (USD) Index Futures	1	1
12	MSCI Vietnam Net Total Return (USD) Index Futures	1	
13	MSCI Hong Kong Net Total Return (USD) Index Futures	1	
14	MSCI Philippines Net Total Return (USD) Index Futures	1	
15	MSCI Indonesia (USD) Index Futures	1	1
16	MSCI Emerging Markets Net Total Return (USD) Index Futures	1	1
17	MSCI Emerging Markets (USD) Index Futures	1	
18	MSCI India (USD) Index Futures	1	1
19	MSCI China Free (USD) Index Futures	1	1
20	MSCI Thailand (USD) Index Futures	1	
21	MSCI Malaysia (USD) Index Futures	1	
22	MSCI Philippines (USD) Index Futures	1	
23	MSCI Vietnam (USD) Index Futures	1	
24	MSCI Singapore Free (SGD) Index Futures	1	1
25	MSCI Japan (JPY) Index Futures	1	
26	MSCI Japan Net Total Return (JPY) Index Futures	1	
	Total	26	14

Tier 2 LP: LP to provide liquidity in any 1 of the contracts below in T session (total 14 permits):

No.	Contracts	T
1	MSCI Taiwan (USD) Index Futures	5
2	MSCI India Net Total Return (USD) Index Futures	2
3	MSCI China Free Net Total Return (USD) Index Futures	2
4	MSCI EM Asia Net Total Return (USD) Index Futures	2
5	MSCI Singapore Free (SGD) Index Futures	3
	Total	14

2. LP Program details:

	Tier 1 LP	Tier 2 LP
Program Period	1-year (July 2020 to June 2021), subject to review and adjustment at 6 months	
Eligibility	Exchange Participants (“EPs”) or direct clients of EPs	
Obligations	<ul style="list-style-type: none"> Provide 2-way continuous bid/ask quote: (a) 70% of trading hours in T session; and (b) 50% of trading hours in T+1 session. Obligations including quote size and spread will be determined through bidding process. 	<ul style="list-style-type: none"> Provide 2-way continuous bid/ask quote for 70% of trading hours in T session; Obligations including quote size and spread will be determined through bidding process.
<u>Incentives:</u>		
Trading Fee Discount	LP will pay a discounted trading fee of USD 0.30 for USD contracts (or USD 0.30 equivalent for contracts in other trading currency) (market making account only)	LP will pay a discounted trading fee of USD 0.30 for USD contracts (or USD 0.30 equivalent for contracts in other trading currency) (market making account only)
Cash Incentives	HKD 25,000 per contract per trading session per month (i.e. HKD 1 million for a total of 40 permits)	HKD 25,000 per contract per month
OAPI Sub-license Fee waiver	1 OAPI per contract (i.e. 26 OAPIs or HKD 67,600 per month in total)	1 OAPI per contract (i.e. HKD 2,600 per month per LP)

3. LP performance will be measured on per contract per month basis. In the event that LP fails its obligation in a particular contract, LP will be required to pay the difference between the discounted trading fee and the standard trading fee and there will be no OAPI waiver and cash incentives given to the LP. Should an existing LP not fulfil the obligations for a period of two consecutive months, the Exchange reserves the right to terminate the LP.

Proprietary Trader (PT) Program

1. The PT program is designed to reward top performing price taking clients. Upon meeting the minimum monthly volume, PT will receive trading fee rebates (up to a maximum amount) as follows:

PT Tier	Aggregated Monthly Volume of MSCI Asia and Emerging Market Index Futures and Options Suite	Trading Fee Rebate %	Maximum Monthly Trading Fee Rebate
1	70,000 contracts	50%	No limit
2	50,000 contracts	50%	HKD 190,000
3	30,000 contracts	50%	HKD 110,000
4	15,000 contracts	50%	HKD 50,000
5	8,000 contracts	50%	HKD 20,000

2. Block volume (i.e. trades reported via Block Trade Facility function in HKATS) will not be counted in the PT program. If PT does not meet Tier 5 Volume consistently for two months, the Exchange reserves the right to terminate the PT.

3. Other program details:

Program Period	12 months (July 2020 to June 2021); subject to review after
Eligibility	EPs or direct clients of EPs

Block Trade Participant (BTP) Program

The BTP program is designed to incentivize participants who can facilitate the matching of buyers and sellers of large blocks:

	BTP Program
Program Period	8 months (July 2020 to February 2021); subject to review after
Eligibility	<ul style="list-style-type: none"> Only EPs with a track record of reporting block trades on any one of the HKFE and flagship products (including HSI futures, HSI options, HSCEI futures and/or HSCEI options) via Block Trade Facility in HKATS in the past 12 months will be eligible to sign up to the program. EPs should have executed at least 100,000 contracts in the past 12 months in any one of the HKFE and flagship products to be considered to have a track record. EP must be acting as an agent of the block trades. Those who act only as a principal will not be eligible for the program.
Requirement	<ul style="list-style-type: none"> EPs will have to submit an application form to HKFE. In the application form, the EPs will have to declare they are only acting as an agent in relation to the block trades. For monitoring purposes, EPs will be required to provide a description of their clearing arrangement, the number of DCASS accounts they have and the function of each account.
Trades Captured	Trades reported via Block Trade Facility function in HKATS
Minimum Volume Qualification	Each qualified participant will have to execute 30,000 contracts (buy + sell) block trades monthly for the MSCI Asia and Emerging Market Index Futures and Options Suite to be qualified in the incentive programme.
Performance Measurement	BTPs will be ranked based on the total number of contracts executed via block trades for the MSCI Asia and Emerging Market Index Futures and Options Suite monthly. Only Top 5 in any given month will receive incentives. Reset monthly.
Cash Incentives	<p>Top 5:</p> <ul style="list-style-type: none"> 1st: HKD 300,000 2nd: HKD 150,000 3rd, 4th and 5th: HKD 50,000 each <p>The cash incentive given to the BTP will be capped to the total trading fees paid by the BTP in respect to the qualified block trades of BTP for the MSCI Asia and Emerging Market Index Futures and Options Suite that month.</p>
Notes	The Exchange reserves the right to require all qualified BTPs to submit a month-end trade report detailing every block trade conducted in the market. In this report, they will have to provide details of every block trade (underlying instruments, the structure, size and price), the give up account details, indicate the client type of buyer or seller if applicable (hedge funds, asset managers, broker dealers, proprietary traders or house principal desks) and indicate if the buyer and seller are two different beneficial owners. Where circumstances warrant, BTPs would also be requested to provide documentary evidence to demonstrate the block trades should qualify.

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