

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: Incentive Enhancements for MSCI Asia and Emerging Market Index Futures and Options Suite

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Reference is made to the circular (ref: [MKD/EQD/17/20](#)) dated 23 June 2020 regarding the introduction of MSCI Asia and Emerging Market Index Futures and Options Suite - Update ("MSCI Suite"). Hong Kong Futures Exchange Limited ("the Exchange") is pleased to announce the following incentive enhancements with effect from **Monday, 17 August 2020**:

1. Six-month Trading Fee Waiver in MSCI Taiwan (USD) Index Futures ("MSCI Taiwan Futures") and MSCI Taiwan Net Total Return (USD) Index Futures ("MSCI Taiwan NTR Futures") for all accounts.

A six-month trading fee waiver will be applied for all accounts used for trading MSCI Taiwan Futures and MSCI Taiwan NTR Futures from 17 August 2020¹ to 16 February 2021² (both dates inclusive). The existing trading fee is USD 1.0 per contract traded in house and client accounts and USD 0.3 per contract traded in market making ("MM") accounts for MSCI Taiwan Futures. The existing trading fee is USD 0.6 per contract traded in house and client accounts and USD 0.3 per contract traded in MM accounts for MSCI Taiwan NTR Futures. Please refer to the following table for details:

	Before incentive enhancement From now to 14 August 2020 (T Session)		After incentive enhancement From 14 August 2020 (T+1 Session) to 16 February 2021 (T Session)
	Trading fee for House and Client accounts	Trading fee for MM accounts	Trading fee for ALL accounts
MSCI Taiwan Futures	USD 1	USD 0.3	Nil
MSCI Taiwan NTR Futures	USD 0.6	USD 0.3	Nil

¹ Trades executed during T+1 Session on 14 August 2020 will be applicable for the trading fee waiver.

² Trades executed during T+1 session on 16 February 2021 will NOT be applicable for the trading fee waiver.

2. Six-month Bundled Fee Rebates for Liquidity Providers (“LPs”) and Proprietary Traders (“PTs”)

All LPs and PTs of the MSCI Suite will be entitled to the following bundled fee rebates from 17 August 2020 to 16 February 2021 (both dates inclusive), in addition to the existing incentives for LPs and PTs:

- 50% trading fee rebate on Hang Seng Index (“HSI”) Futures or Hang Seng China Enterprise Index (“HSCEI”) Futures on a 1:1 volume traded basis in the monthly aggregate volume of MSCI Taiwan Futures and MSCI Taiwan NTR Futures, subject to a maximum of trading fee rebate of HKD 100,000 per month. For the avoidance of doubt, LPs / PTs who are eligible to receive a reduction in trading fees for HSI Futures or HSCEI Futures pursuant to another incentive scheme (e.g. as market maker for standard/mini HSI Options / HSCEI Options, or as LP / PT in other Bundled Incentive programs, etc) will not be able to include these already discounted HSI Futures and HSCEI Futures contracts in the 1:1 volume calculation under this incentive scheme for further fee rebates ; and
- The volume and fee rebate measurement will be on monthly basis. In addition, LPs / PTs will need to meet a monthly minimum aggregate clearing volume of 100 contracts in MSCI Taiwan Futures and MSCI Taiwan NTR Futures to be entitled to receive the fee rebates.

3. Additional LPs for MSCI Taiwan (USD) Index Futures

The Exchange is planning to increase four Tier 2 LP quota to support the calendar spread quoting of MSCI Taiwan Futures. Interested parties should contact Ms. Emily Huang (EmilyHuang@hkex.com.hk) and Ms. Tracy Zhang (TracyYTZhang@HKEX.COM.HK) for application information.

Inform Your Staff and Clients

Participants should notify all clients who are holding positions in MSCI Taiwan Futures and MSCI Taiwan NTR Futures about the fee waiver arrangements. Please ensure that your back office systems are ready for a smooth operation. In addition, all your staff should be fully aware of the fee waiver arrangements and should exercise caution when dealing with MSCI Taiwan Futures and MSCI Taiwan NTR Futures and when advising your clients.

Alexander Siu
Co-head of Equities Product Development
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