

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

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**Subject:** Introduction of New Tier of Liquidity Provider for MSCI Asia and Emerging Market Index Futures and Options

**Enquiry:** Mr. Wallace Chan (Tel: 2211-6139 E-mail: [wallacechan@hkex.com.hk](mailto:wallacechan@hkex.com.hk))  
Ms. Flora Lo (Tel: 2211-6137 E-mail: [floralo@hkex.com.hk](mailto:floralo@hkex.com.hk))

Hong Kong Futures Exchange Limited (“the Exchange” or “HKFE”) is pleased to announce the introduction of a new tier (“Tier 3”) of Liquidity Provider (“LP”) for the MSCI Asia and Emerging Market Index Futures and Options Suite (“MSCI Suite”). Details are set forth in Attachment I.

The appointment of the Tier 3 LP for the MSCI Taiwan 25/50 (USD) Index Futures is now open for application. Interested parties should contact Ms. Emily Huang ([EmilyHuang@hkex.com.hk](mailto:EmilyHuang@hkex.com.hk)) and Ms. Tracy Zhang ([TracyYTZhang@hkex.com.hk](mailto:TracyYTZhang@hkex.com.hk)) for application information.

Alexander Siu  
Co-head of Equities Product Development  
Markets Division

**Attachment I**

**Tier 3 LP Program**

1. In addition to the existing Tier 1 LP and Tier 2 LP programs for the MSCI Suite<sup>1</sup>, we will introduce a new Tier 3 LP program such that each Tier 3 LP is required to provide liquidity in the MSCI Taiwan 25/50 (USD) Index Futures with higher obligations in terms of the bid/ask spread and quote size compared to the existing Tier 1 LP and Tier 2 LP.

	Tier 3 LP
Program Period	6 months (from 21 October 2020 to 20 April 2021, both dates inclusive)
Eligibility	Exchange Participants (EPs) or direct clients of EPs
Quota	Maximum 2 LPs
Obligations	<ul style="list-style-type: none"> <li>Provide 2-way continuous bid/ask quote in MSCI Taiwan 25/50 (USD) Index Futures for 70% of trading hours in T session</li> <li>Obligations including quote size and spread will be determined through bidding process</li> </ul>
Incentives:	
Trading Fee Discount	LP (market making account only) will pay a discounted trading fee of: <ul style="list-style-type: none"> <li>USD 0.30 for USD denominated contracts</li> </ul> Note: Currently there are six-month market wide trading fee waivers for trading MSCI Taiwan 25/50 (USD) Index Futures between 28 September 2020 and 26 March 2021, please refer to circular <a href="#">MKS/EQD/23/20</a> for details.
Cash Incentives	HKD 300,000 per contract per month
OAPI Sub-license Fee waiver	1 OAPI per contract

2. LP performance will be measured on per contract per month basis. In the event that an LP fails its obligation in a particular contract, the 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.

**HSI and HSCEI Futures Bundled Fee Rebates for LPs**

3. In addition, reference is made to the circular (ref: [MKS/EQD/23/20](#)) dated 18 September 2020. Upon meeting the trading requirement specified in the next paragraph, LPs will receive 50% trading fee rebate on HSI Futures or HSCEI Futures on a 1:1 volume basis in the monthly aggregate volume of the following contracts (“Eligible Contracts”), subject to a maximum of trading fee rebate of HKD 100,000 per month.

<sup>1</sup> See Attachment VI in the circular [MKS/EQD/23/20](#) for details of the existing LP programs

Eligible Contracts:

For the period from 17 August 2020 to 16 February 2021:

- MSCI Taiwan (USD) Index Futures
- MSCI Taiwan Net Total Return (USD) Index Futures

For the period from 28 September 2020 to 16 February 2021:

- MSCI Taiwan 25/50 (USD) Index Futures
- MSCI Taiwan 25/50 Net Total Return (USD) Index Futures
- MSCI Singapore Free (SGD) Index Futures
- MSCI Singapore Free Net Total Return (USD) Index Futures
- MSCI Singapore Net Total Return (USD) Index Futures

4. The volume and fee rebate measurement will be on monthly basis. LPs will need to meet a monthly minimum aggregate clearing volume of 100 contracts (excluding block trade volume) in the Eligible Contracts during the specified period to be entitled to receive the fee rebates.
5. For the avoidance of doubt, LPs 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 / Proprietary Trader 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.

**MSCI Disclaimer**

The Contracts are not sponsored, endorsed, sold or promoted by MSCI Inc. ("MSCI"), any affiliate of MSCI or any other party involved in, or related to, making or compiling any Indexes. The Contracts have not been passed on by MSCI, any of its affiliates or any other party involved in, or related to, making or compiling any Indexes as to their legality or suitability with respect to any person or entity. MSCI, its affiliates and any other party involved in, or related to, making or compiling the MSCI Indexes do not guarantee the originality, accuracy and/or completeness of the MSCI Indexes or any data included therein. Neither MSCI, any of its affiliates nor any other party involved in, or related to, making or compiling the MSCI Indexes makes any express or implied warranties, and expressly disclaims all warranties of merchantability and fitness for a particular purpose or use with respect to the Contract, the MSCI Indexes or any data included therein. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other party involved in, or related to, making or compiling the MSCI Indexes have any liability for any direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages, claims, losses or expenses relating to any futures or options contracts or caused by any errors or delays in calculating or disseminating the MSCI Indexes. Neither MSCI, any of its affiliates nor any other party involved in, or related to, making or compiling the MSCI Indexes has any obligation to take the needs of the issuers of the Contracts, the owners of the Contracts or the Exchange into consideration in determining, composing or calculating the Indexes. Neither MSCI, its affiliates nor any other party involved in, or related to, making or compiling the MSCI Indexes is responsible for or have participated in the determination of the timing of, prices at, or quantities of the Contracts to be issued or in the determination or calculation of the equation by which the Contracts are redeemable for cash.