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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: Revision of the Block Trade Participant Program for MSCI Asia and Emerging Market Index Futures Suite

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

The Hong Kong Futures Exchange Limited (the “Exchange” or “HKFE”) is pleased to announce revision of the Block Trade Participant Program for MSCI Asia and Emerging Market Index Futures Suite (“MSCI Suite”). The following amendments will be applied to the BTP program from **09 October 2020**:

- The block trade volume requirement and the amount of cash incentive will be calculated on **a quarterly basis**. The minimum block trade execution volume requirement will be **20,000 contracts** per quarter in total for the MSCI Suite; and
- The cash incentives will be given to the **top 3 BTPs** based on the total number of contracts executed via block trades for the MSCI Suite, and will not be capped at the total trading fees paid by the BTP in respect to the qualified block trades of BTP.

Please refer to the Attachment I for the details of the BTP program. Interested parties should contact Mr. Raymond Wong (RaymondCWWong@hkex.com.hk) for application information.

Alexander Siu

Co-head of Equities Product Development

Markets Division

Revised Block Trade Participant (BTP) Program (Effective from 9 October 2020)

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 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's flagship products to be considered to have a track record of reporting block trades. 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 and 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 Requirement	Each qualified participant will have to execute at least 20,000 contracts (buy + sell) block trades in the MSCI Suite each quarter.
Performance Measurement	Upon meeting the volume requirement in a given quarter, BTPs will be ranked based on the total number of valid block trade contracts executed in the MSCI Suite. Only the top 3 BTPs in any given quarter will receive incentives. Reset quarterly.
Cash Incentives	Top 3: <ul style="list-style-type: none"> 1st: HKD \$1,200,000 2nd: HKD \$450,000 3rd: HKD \$150,000
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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