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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

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

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Reference is made to the circular (ref: [MKD/EQD/26/20](#)) dated 27 October 2020 regarding the revision of the Block Trade Participant (“BTP”) Program for the MSCI Asia and Emerging Market Index Futures Suite. Hong Kong Futures Exchange Limited (“the Exchange”) is pleased to announce the extension of the BTP Program period from the current program end date of 28 February 2021 to **31 December 2021**.

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

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**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
Eligibility	<ul style="list-style-type: none"> <li>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 <u>100,000 contracts</u> 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.</li> <li>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.</li> </ul>
Requirement	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
Trades Captured	Trades reported via Block Trade Facility function in HKATS
Minimum Volume Requirement	Each qualified participant will have to execute at least <u>20,000 contracts</u> (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 (per quarter)	Top 3: <ul style="list-style-type: none"> <li>1<sup>st</sup>: HKD \$1,200,000</li> <li>2<sup>nd</sup>: HKD \$450,000</li> <li>3<sup>rd</sup>: HKD \$150,000</li> </ul>
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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