

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 Hang Seng TECH Index Futures and Options - Updates

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Reference is made to the circular (ref: [MKS/EQD/34/20](#)) dated 17 November 2020 regarding the introduction of Hang Seng TECH Index (“HSTECH”) Futures and Options. Hong Kong Futures Exchange Limited (“the Exchange”) is pleased to announce the following updates:

1. Extension of Market-wide Trading Fee Discount Period for HSTECH Futures and Options

The effective period of the 50% market-wide trading fee discount for HSTECH Index Futures and Options will be extended to **31 December 2021**¹. Please refer to the following trading fee tables for details:

Contracts	Up to 31 December 2021 (T Session)		From 3 January 2022 (T Session) onwards	
	House and Client accounts	Liquidity Provider	House and Client accounts	Liquidity Provider
HSTECH Futures	HKD 2.5	HKD 1.0	HKD 5.0	To be announced; subject to review after program expiry
HSTECH Options	HKD 2.5	HKD 1.0	HKD 5.0	To be announced; subject to review after program expiry

2. Introduction of Active Trader (“AT”) Program for HSTECH Futures and Options for the second half of 2021

The existing AT program for HSTECH Futures and Options will expire after 21 May 2021 and the Exchange will introduce the next-term of the AT program between 24 May 2021 and 31 December 2021. For the avoidance of doubt, existing ATs are required to submit their applications.

¹ Originally, the trading fee discount of HSTECH Futures and Options will expire after the close of T session on 21 May 2021 and 16 July 2021 respectively.

Applicants who wish to participate the AT program starting from the first day (i.e. 24 May 2021) are required to submit their application **before noon on 20 May 2021**.

3. Introduction of Liquidity Provider (“LP”) Program for HSTECH Options for the second half of 2021

The existing LP Program for HSTECH Options will expire after 16 July 2021 and the Exchange will introduce the next-term of the LP program for HSTECH Options between 19 July 2021 and 31 December 2021. For the avoidance of doubt, existing LPs are required to submit their applications.

Applicants who wish to participate the LP program starting from the first day (i.e. 19 July 2021) are required to submit their application **before 30 June 2021**.

Please refer to Appendix I and II for more information of the AT program and LP program. Interested parties should contact Ms. Emily Huang (EmilyHuang@hkex.com.hk), Mr. David Lutz (Davidlutz@hkex.com.hk) or Ms. Tracy Zhang (TracyYTZhang@hkex.com.hk) for application information.

Alexander Siu
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Attachment I

Active Trader (“AT”) Program for HSTECH Futures and Options

	AT Program for HSTECH Futures and Options
Program Period	Between 24 May 2021 and 31 December 2021, subject to review afterwards
Eligibility	EPs or direct clients of EPs
Quota	No quota limit
Obligations	<p>Each AT will need to meet a monthly minimum aggregated clearing volume of 500 contracts in HSTECH Futures and Options to be eligible for the incentive (“Minimum Monthly Clearing Volume Thresholds”).</p> <p>Block volume (i.e. trades reported via Block Trade Facility function in HKATS) will not be counted in the AT program.</p> <p>If AT does not meet the obligations consistently for two months, the Exchange reserves the right to terminate the AT.</p>
Incentives	<p>Upon meeting the Minimum Monthly Clearing Volume Thresholds, AT will be entitled to a discounted trading fee of HKD 1.75* (i.e. equivalent to 35% of standard trading fee) for each HSTECH Futures and Options contract.</p> <p>*Notes:</p> <ul style="list-style-type: none"> • During the 50% market-wide trading fee discount period, the Active Trader will pay a trading fee of HKD 2.5 for each concluded contract and will receive a rebate of HKD 0.75 for each contract upon meeting the Minimum Monthly Clearing Volume Threshold. • Should the market-wide trading fee discount be discontinued, the Active Trader will pay a trading fee of HKD 5 for each concluded contract and will receive a rebate of HKD 3.25 for each contract upon meeting the Minimum Monthly Clearing Volume Threshold.

Attachment II

Liquidity provider (“LP”) Program for HSTECH Options

	LP Program for HSTECH Options
Program Period	Between 19 July 2021 and 31 December 2021, subject to review afterwards
Eligibility	EPs or direct clients of EPs
Quota	No quota limit
Obligations	<ul style="list-style-type: none"> • LP will provide 2-way continuous bid/ask quotes for 65% of trading hours in T session for not less than 50 option series (chosen from the selection pool in Table 1 below); • Maximum bid/offer spreads: see Table 2 below; • Minimum quote size: 5 contracts
Incentives:	
Discounted Trading Fee	<ul style="list-style-type: none"> • HKD 1.0 (80% discount on standard trading fee) on both HSTECH <u>Futures and Options</u> (market making account only) if LP meets its obligations in full; or • HKD 1.75 (65% discount on standard trading fee) on both HSTECH <u>Futures and Options</u> (market making account only) if LP meets its obligations in providing the minimum quote quantity within the maximum bid/offer spread in 50% or more but less than 65% of the trading hours; or • HKD 2.5 (50% discount on standard trading fee) on HSTECH <u>Futures and Options</u> if the LP meets its obligations in providing the minimum quote quantity within the maximum bid/offer spread in less than 50% of the trading hours
OAPI Sub-licence Fee Waiver	Upon fulfilling the obligations, LP shall be entitled to a waiver of up to HKD 15,600 per month of the monthly sub-licence fee for 6 OMnet Application Programming Interface (“OAPI”) to HKATS.

Each LP’s performance will be measured on per contract per month basis. In the event that an LP fails its obligation, the LP will be required to pay the difference between the discounted trading fee for successfully meeting obligations and the discounted trading fee for failing to meet obligations and there will be no OAPI waiver 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.

Table 1 – Options series selection pool

Contract Month	Option Series	Series for selection	
		Call	Put
Spot Calendar Month	Out-of-the-Money	15	15
	In-the-Money	2	2
Next Calendar Month	Out-of-the-Money	15	15
	In-the-Money	2	2
First Quarter Month	Out-of-the-Money	10	10
	In-the-Money	2	2
Second Quarter Month	Out-of-the-Money	10	10
	In-the-Money	2	2
Total		116	

Table 2 – Maximum options bid/offer spread

Contract Month	Option Premium	Maximum Bid/Offer Spread
Spot Calendar Month and Next Calendar Month	1-750 points	30 points or 10% of bid price, whichever is higher
	More than 750 points	75 points
First Quarter Month and Second Quarter Month	1-750 points	40 points or 20% of bid price, whichever is higher
	More than 750 points	150 points

Attachment III

Disclaimer of Hang Seng Indexes Company Limited

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