

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: Introduction of Global Markets Participant Incentive Program for trading US Dollar versus Renminbi (Hong Kong) (“USD/CNH”) Futures contracts and Mini USD versus Renminbi (Hong Kong) (“Mini USD/CNH”) Futures contracts

Enquiry: Mr. Steven Chou (Email: StevenChou@hkex.com.hk; Tel: 2211-6168)

Ms. Iris Hui (Email: IrisHui@hkex.com.hk; Tel: 2840-3726)

Mr. Ray Yen (Email: RayYen@hkex.com.hk; Tel: 2211-6122)

Hong Kong Futures Exchange Limited (“the Exchange”) is pleased to introduce the Global Markets Participant Program (“the Program”) for USD/CNH Futures and Mini USD/CNH Futures contracts for the period from 26 April 2021 (T Session) to 31 December 2021¹.

The Program is designed to attract new market participants and support the liquidity development of USD/CNH Futures and Mini USD/CNH Futures contracts through participation as a Global Markets Participant (“GMP”), which is defined as an Exchange Participant (“EP”) trading through its House Account or any entity represented by an EP trading through an Individual Client Account² and committing to meet the minimum monthly clearing volume in the assigned Contracts (as defined below). Details of GMPs’ obligations are set forth in the Attachment.

Eligible Products

USD/CNH Futures contract and Mini USD/CNH Futures contract (“the Contract” or collectively “the Contracts”) are eligible products for the Program.

¹ There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:30 p.m.

² Or other accounts as assigned by the Exchange.

GMP applicants may apply to participate in the Program with respect to either or both Contracts. For the avoidance of doubt, Proprietary Traders participating in the Bundled Liquidity Providing Incentive Program and Active Traders participating in the Active Trader Program are allowed to participate as GMPs in the Program for the same Contract(s), but the clearing volume used for claiming incentives under one of the Programs will be excluded from counting the clearing volume commitment under other Programs.

Incentives

Upon fulfilment of its obligations set forth in the Attachment, each GMP will be entitled to the following incentives:

1. 100% rebate of the Exchange trading fee on GMP's transactions effected in the assigned Contract(s); and
2. A waiver for OMnet Application Programming Interface ("OAPI") sub-licence fees for up to a maximum amount per month.

| GMP Type | Maximum amount of OAPI sub-licence fee waiver ³ |
|----------|--|
| Type 1 | Up to \$10,400 (i.e. 4 OAPIs) |
| Type 2 | Up to \$5,200 (i.e. 2 OAPIs) |
| Type 3 | Up to \$2,600 (i.e. 1 OAPI) |

A GMP can apply to participate in either or both Contracts or different GMP types, but the aggregate incentives to which a GMP is entitled will be subject to an overall cap as outlined in the table above. The Exchange has the absolute discretion to change the overall cap and quota allocation between the products.

Quota

The GMPs quota is specified in the Attachment. As the quota is limited⁴, the Exchange may allocate and / or re-assign the quota depending on the Exchange's business plan at the time of selection and the applicant's indication of commitment. If the same level of commitment is indicated by more than one applicant, the Exchange will consider the applicants' past performance.

³ Currently HK\$2,600 per month for each OAPI with 5 transactions per second.

⁴ The quota is indicative and could be revised subject to the Exchange's plan or budget.

Application Procedure

The Program for the Contracts is now open for application. Interested applicants should contact the aforementioned contacts for application or enquiry.

Julien Martin

Head

FIC Development

Markets Division

This circular has been prepared in English with a Chinese translation. If there is any inconsistency between the two versions, the English version shall prevail.

Attachment

GMP Quota and Obligations

The monthly clearing volume commitments⁵ for the USD/CNH Futures and Mini USD/CNH Futures contracts and applicable GMP types are set out as follows:

| GMP Type | USD/CNH Futures | Mini USD/CNH Futures | Aggregate USD/CNH Futures and Mini USD/CNH Futures* |
|------------|---|----------------------|---|
| Period | From 26 April 2021 (T session) to 31 December 2021 | | |
| Quota | 10 | | |
| Incentives | <ul style="list-style-type: none"> ▪ 100% rebate of Exchange trading fee ▪ Waiver of OAPI sub-licence fee | | |
| Type 1 | 4,000 | 20,000 | 5,000 |
| Type 2 | 1,500 | 7,500 | 2,500 |
| Type 3 | 1,000 | 5,000 | 1,500 |

* For the purpose of calculating monthly clearing volume commitment for the Aggregate USD/CNH Futures and Mini USD/CNH Futures GMT Type, one USD/CNH Futures contract is equal to 1 contract and one Mini USD/CNH Futures contract is equal to 0.2 contract.

For the avoidance of doubt, the average price trades performed by GMPs should be excluded from the monthly clearing volume commitment.

⁵ The Exchange will determine a GMP's monthly clearing volume solely based on the clearing volume in the House Account of the EP, the Individual Client Account of the client trading through the EP or other accounts as assigned by the Exchange.