

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: Extension of Volatility Control Mechanism (“VCM”) and Dynamic Price Banding (“DPB”) Mechanism to Hang Seng TECH Index (“HTI”) Futures

Enquiry: HKATS Hotline¹ Tel: 2211-6360

Hong Kong Futures Exchange Limited (“HKFE”) announces the extension of VCM and DPB to HTI Futures applicable contracts (see attachment I) to enhance market integrity. The effective date will be **17 October 2022 (Monday)**.

Brief Description of VCM

VCM protects the market from extreme volatility. It is triggered when a potential execution price deviates by more than 5% from the last traded price 5 minutes ago. Once VCM is triggered, the market will enter into a cooling-off period for 5 minutes where trading is only allowed within a pre-defined price band. Normal trading with VCM monitoring will resume after the lapse of the cooling-off period. Please refer to the [Trading Mechanism of VCM](#) on HKEX website for more details.

Brief Description of DPB

DPB prevents potential market disruption by rejecting error orders. It rejects input of buy orders with a limit price higher than the upper price band or sell orders with a limit price lower than the lower price band. The upper and lower price bands are symmetrically applied to both the upside and downside of the prevailing market price level. The price bands will be recalculated when there is a change in the prevailing market price level. Please see Appendix 5 of the [HKATS User's Guide](#) for more details.

¹ All calls to the HKATS hotline would be recorded. Please refer to the following link for HKEX privacy policy statement: http://www.hkex.com.hk/eng/global/privacy_policy.htm

Practice Session

A Practice Session will be arranged for Exchange Participants (“EPs”) on 10 September 2022. EPs are highly recommended to join. EPs intend to join should complete the [online registration form](#) on or before 2 September 2022. Details of the Practice Session will be provided to registered EPs separately.

EPs should coordinate with, including but not limited to, the operations team, IT team and external vendors for the operational and technical readiness. EPs should also inform their clients about the expansion of applicable markets in VCM and DPB.

For any enquiries, please contact the HKATS Hotline at 2211 6360 or email to hkatssupport@hkex.com.hk.

Sanly Ho
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This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.

Attachment I

List of Applicable Contracts

- Spot and spot-next contracts of HSI Futures
- Spot and spot-next contracts of Mini HSI Futures
- Spot and spot-next contracts of HSCEI Futures
- Spot and spot-next contracts of Mini HSCEI Futures
- Spot and spot-next contracts of HTI Futures **New**