



香港交易所

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)

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通告 CIRCULAR

Subject: Block Trade Participant Program for MSCI Asia and Emerging Market Index Futures Suite in 2023

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The Hong Kong Futures Exchange Limited (the “Exchange”) is pleased to announce the introduction of a Block Trade Participant (“BTP”) Program for the MSCI Asia and Emerging Market Index Futures Suite (“MSCI Suite”) to support the liquidity development of MSCI Suite in 2023.

The BTP Program covers 26 specified MSCI Net Total Return Index Futures. The block trade volume requirement and the amount of cash incentive will be calculated on a **quarterly basis**. The minimum block trade execution aggregate volume requirement will be **2,000 contracts** (measured in sides, meaning both the buy and sell are separately counted) per quarter for the assigned MSCI Suite. The cash incentives will be rewarded based on the total number of valid contracts executed via block trades for the assigned MSCI Suite. Please refer to the Attachment I for the details of the BTP program.

Applicants who wish to participate in the BTP program are required to submit their application. Interested parties should contact Ms. Jovi Li (JoviLi@hkex.com.hk) and Mr. Benny Yip (BennyYip@hkex.com.hk) for application details.

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

Attachment I
Block Trade Participant (“BTP”) Program

	BTP Program
End Date	29 December 2023, subject to review afterwards
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, HSCEI options and/or MSCI Suite) via the Block Trade Facility in HKATS in the past 12 months will be eligible to sign up to the program. 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 the Exchange 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 from 3 January 2023 to 29 December 2023, inclusive
Minimum Volume Requirement	Each qualified participant will have to execute at least 2,000 contracts (i.e. buy and sell sides) block trades in assigned MSCI Suite ^{Notes} each quarter.
Cash Incentives (per quarter)	Upon meeting the volume requirement in a given quarter, BTPs will be entitled to cash incentives of USD 0.50 per contract (i.e. buy and sell sides) of valid block trade contracts executed in the assigned MSCI Suite in a given quarter.
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.

Notes for the Contracts in the MSCI Suite:

1. MSCI AC Asia ex Japan Net Total Return Index Futures
2. MSCI Australia Net Total Return (USD) Index Futures
3. MSCI China Net Total Return (USD) Index Futures
4. MSCI EM Asia ex China Net Total Return (USD) Index Futures
5. MSCI EM Asia ex Korea Net Total Return (USD) Index Futures
6. MSCI EM Asia Net Total Return (USD) Index Futures
7. MSCI EM EMEA Net Total Return (USD) Index Futures
8. MSCI EM ex China Net Total Return (USD) Index Futures
9. MSCI EM ex Korea Net Total Return (USD) Index Futures
10. MSCI EM LatAm Net Total Return (USD) Index Futures
11. MSCI Emerging Markets Net Total Return (USD) Index Futures
12. MSCI Hong Kong Net Total Return (USD) Index Futures
13. MSCI India Net Total Return (USD) Index Futures
14. MSCI Indonesia Net Total Return (USD) Index Futures
15. MSCI Japan Net Total Return (USD) Index Futures
16. MSCI Malaysia Net Total Return (USD) Index Futures
17. MSCI New Zealand Net Total Return (USD) Index Futures
18. MSCI Pacific ex Japan Net Total Return (USD) Index Futures
19. MSCI Pacific Net Total Return (USD) Index Futures
20. MSCI Philippines Net Total Return (USD) Index Futures
21. MSCI Singapore Free Net Total Return (USD) Index Futures
22. MSCI Singapore Net Total Return (USD) Index Futures
23. MSCI Taiwan Net Total Return (USD) Index Futures
24. MSCI Taiwan 25/50 Net Total Return (USD) Index Futures
25. MSCI Thailand Net Total Return (USD) Index Futures
26. MSCI Vietnam Net Total Return (USD) Index Futures

MSCI Disclaimer

The Contracts are not sponsored, endorsed, sold or promoted by MSCI Inc. ("MSCI"), any affiliate of MSCI or any other party involved in, or related to, making or compiling any Indexes. The Contracts have not been passed on by MSCI, any of its affiliates or any other party involved in, or related to, making or compiling any Indexes as to their legality or suitability with respect to any person or entity. MSCI, its affiliates and any other party involved in, or related to, making or compiling the MSCI Indexes do not guarantee the originality, accuracy and/or completeness of the MSCI Indexes or any data included therein. Neither MSCI, any of its affiliates nor any other party involved in, or related to, making or compiling the MSCI Indexes makes any express or implied warranties, and expressly disclaims all warranties of merchantability and fitness for a particular purpose or use with respect to the Contract, the MSCI Indexes or any data included therein. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other party involved in, or related to, making or compiling the MSCI Indexes have any liability for any direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages, claims, losses or expenses relating to any futures or options contracts or caused by any errors or delays in calculating or disseminating the MSCI Indexes. Neither MSCI, any of its affiliates nor any other party involved in, or related to, making or compiling the MSCI Indexes has any obligation to take the needs of the issuers of the Contracts, the owners of the Contracts or the Exchange into consideration in determining, composing or calculating the Indexes. Neither MSCI, its affiliates nor any other party involved in, or related to, making or compiling the MSCI Indexes is responsible for or have participated in the determination of the timing of, prices at, or quantities of the Contracts to be issued or in the determination or calculation of the equation by which the Contracts are redeemable for cash.