

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 Programs for Equity Derivative Products

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Hong Kong Futures Exchange Limited (the “Exchange”) is pleased to announce the following incentive programs for equity derivative products arrangements in 2024.

1. Extension of Liquidity Provider (“LP”) Program and Active Trader (“AT”) Program for MSCI China A 50 Connect (USD) Index Futures (“MSCI China A 50 Futures”)

With reference to the circular (ref: [EQD/04/23](#)) dated 10 March 2023, the existing LP Program and AT Program for MSCI China A 50 Futures will be extended to **29 March 2024**¹.

The service term of existing ATs will be automatically extended. Existing LPs will receive an amendment appointment letter for the extension. Existing LPs and ATs are not required to submit an application.

The 50% market-wide trading fee discount for MSCI China A 50 Futures will continue until further notice. Please refer to the following table for details:

Contract	All Accounts
MSCI China A 50 Futures	USD 0.50

2. Extension of LP Program and AT Program for MSCI India (USD) Index Futures (“MSCI India Futures”)

With reference to the circular (ref: [EQD/02/23](#)) dated 9 February 2023, the existing LP Program and AT Program for MSCI India Futures will be extended to **29 March 2024**².

The service term of existing ATs will be automatically extended. Existing LPs will receive an amendment appointment letter for the extension. Existing LPs and ATs are not required to submit an application.

¹ The LP program and AT program for MSCI China A 50 Futures were originally scheduled to expire after the close of T Session on 29 December 2023

² The LP program and AT program for MSCI India Futures were originally scheduled to expire after the close of T Session on 29 February 2024

3. Extension of Block Trade Participant (“BTP”) Program for a basket of 26 specified MSCI Net Total Return Index Futures (“MSCI NTR Futures”)

With reference to the circular (ref: [EQD/01/23](#)) dated 6 February 2023, the existing BTP Program for a basket of 26 specified MSCI NTR Futures will be extended to **29 March 2024**³.

The service term of existing BTP Program will be automatically extended. Existing BTPs are not required to submit the application.

The details for BTP Program can be found in Attachment I.

4. AT Program and Market-wide Trading Fee Discount for Hang Seng TECH Index (“HSTECH”) Futures and Options

With reference to the circulars (ref: [MKS/EQD/14/22](#) and [MKS/EQD/15/22](#)) dated 22 November 2022 and 24 November 2022 respectively, the existing AT Program for HSTECH Futures will expire on 29 December 2023. The Exchange **will not renew** the AT Program for HSTECH Futures.

The market-wide 50% trading fee discount for HSTECH Futures, Options and Futures Options will continue until further notice. Please refer to the following table for details:

Contracts	House and Client accounts
HSTECH Futures	HKD 2.5
HSTECH Options	
HSTECH Futures Options (“OOF”)	

Interested parties for the abovementioned AT Programs should contact Mr Narendra Hegde (NarendraHegde@hkex.com.hk), Mr. Alan Shum (AlanShum@hkex.com.hk), Ms. Emily Huang (EmilyHuang@hkex.com.hk), Ms. Kate Lin (KateLin@hkex.com.hk), Ms. Mercy Liu (MercyLiu@hkex.com.hk) and Ms Tracy Zhang (TracyYTZhang@hkex.com.hk) for application details.

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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.

³ The BTP Program was originally scheduled to expire after the close of T Session on 29 December 2023

Attachment I

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"> 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
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 NTR Futures ^{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 NTR Futures 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 NTR Futures:

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

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