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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

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**Subject:** Amendments to the Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited (the “Rules”) and the HKATS Trading Procedures (the “Procedures”)

**Enquiry:** HKATS (Hotline<sup>1</sup> : 2211-6360 Email: [hkatssupport@hkex.com.hk](mailto:hkatssupport@hkex.com.hk))

Holders of Futures Exchange Trading Rights and Exchange Participants are requested to note that the Securities and Futures Commission has approved amendments to the Rules and Procedures for the purpose of enhancing the self-match prevention service in the derivatives market of Hong Kong.

The amendments to the Rules and Procedures as set out in Appendices 1 and 2 respectively, will come into effect on Monday, 22 July 2024.

The marked-up version of the amendments to the Rules and Procedures can be downloaded from the following sections of the HKEX website:

- [“Rule Update - Rules, Regulations and Procedures of the Futures Exchange”](#)
- [“Rule Update - HKATS Trading Procedures”](#)

Beatrice Lung  
Head of Legal

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<sup>1</sup> 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](http://www.hkex.com.hk/eng/global/privacy_policy.htm)

**Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited**

**CHAPTER I**

**INTERPRETATION ADMINISTRATION  
AND AMENDMENT OF THE RULES**

**Definitions and Interpretation**

101. In these Rules, unless the context otherwise requires, the following expressions shall bear the following meanings:-

“Self-match Prevention” or “SMP” means the prevention of the matching in HKATS during the T Session and the T+1 Session of orders that are tagged with the same SMP ID whereby the relevant order(s) will be automatically cancelled in accordance with the specified SMP Instruction;

“SMP ID” means a code, number or identifier to be used for tagging orders entered into HKATS for the account of the same Exchange Participant, Client or other person in such manner as the Exchange may from time to time prescribe for the purpose of SMP;

“SMP Instruction” means either of the following instructions specified by the relevant Exchange Participant for an SMP ID in relation to new and existing orders in separate order queues that are tagged with such SMP ID that might otherwise have been matched:-

- (a) “Cancel Aggressive”, that is, the newly entered order or, if such newly entered order is partially matched before any existing order with the same SMP ID is at the top of the order queue, the remaining unmatched part of such newly entered order will be cancelled by HKATS; or
- (b) “Cancel Passive”, that is, the existing order or, if such existing order is partially matched before the newly entered order with the same SMP ID is at the top of the order queue, the remaining unmatched part of such existing order will be cancelled by HKATS;

**CHAPTER VIII**

**TRADING ARRANGEMENTS - PRACTICES AND SYSTEMS**

Self-match Prevention

- 825A. An Exchange Participant may apply for Self-match Prevention service for itself, its Clients or other persons by submitting to the Exchange such form and such supporting documents as it may prescribe from time to time. An SMP ID will be assigned by the Exchange for the Exchange Participant or each Client or other person approved by the Exchange under the Exchange Participant's application. Any SMP ID so assigned may only be tagged to orders of the Exchange Participant, a Client or such other person approved by the Exchange, as the case may be, in accordance with such requirements as the Exchange may from time to time prescribe.
- 825B. An Exchange Participant acknowledges that orders tagged with an SMP ID entered into HKATS may be cancelled as part of the SMP. The Exchange shall in no case be liable for any failure or unavailability of, or error or defect in the functioning of the SMP.
- 825C. An SMP ID may be used by more than one Exchange Participant. An Exchange Participant must obtain approval from the Exchange for the use of the SMP and each SMP ID. To be approved to use the SMP and an SMP ID, an applicant Exchange Participant shall apply in writing to the Exchange and demonstrate initially and on a continuous basis to the satisfaction of the Exchange that it has implemented appropriate and effective measures and taken reasonable steps to ensure that the use of the SMP and each SMP ID is in compliance with the requirements as the Exchange may from time to time prescribe. The Exchange Participant shall be responsible and liable for the use of each SMP ID and shall notify the Exchange promptly where it becomes aware of any breach, infringement or non-compliance of these Rules or requirements as may be prescribed by the Exchange from time to time, or acts of or potential market misconduct whether by itself, its Clients or other persons.
- 825D. If the Chief Executive is of the opinion that any of the requirements related to the SMP are not properly followed by an Exchange Participant or any of its Clients or other persons approved under its SMP application, including any improper acts or practices in connection with their use of the SMP, the Chief Executive may by notice to the Exchange Participant, suspend or prohibit the Exchange Participant or any of its Clients or other persons from using the SMP by suspending or invalidating the relevant SMP ID or otherwise, or impose such additional requirement for the use as he may consider appropriate.
- 825E. Notwithstanding any other provisions contained in these Rules, if more than one Exchange Participant applies to the Exchange for SMP service for the same person, each Exchange Participant's identity and its approval to use the SMP ID for such person may be disclosed to the other Exchange Participant(s) as the Exchange considers appropriate.

**HKATS Trading Procedures**

**CHAPTER 3            DEALING FUNCTIONALITY**

This chapter sets out primary dealing functionality available in HKATS. Detailed input procedures in relation to these functions are more thoroughly described in the HKATS User's Guide and the HKATS Risk Functions User's Guide.

**3.1    *Central Orderbook***

HKATS will maintain a Central Orderbook for each delivery month, option series and series name. Orders entered into HKATS will be placed in the respective Central Orderbook, and will be either matched with other Orders, or stored in the Central Orderbook, as the case may be.

Exchange Participants may place only "Limit Orders" in HKATS during trading hours. Exchange Participants may also specify certain conditions in respect of Limit Orders including "Specified Time", "Rest of Day", "Until Expiry", "Fill or Kill" and "Fill and Kill".

3.1.1 A Limit Order capable of being stored in the Central Orderbook (only Limit Orders which do not have either a "Fill Or Kill" or "Fill and Kill" condition attached) will remain in the Central Orderbook until one of the following events occurs:

- a) it is matched either fully or partially with an incoming Order. Where the Order is fully matched, it will be removed from the Central Orderbook, and where it is only partially matched, the remainder will be stored in the Central Orderbook until matched, cancelled or for the applicable period, as the case may be;
- b) the Authorized Person who input the Order or another Authorized Person of the same Exchange Participant cancels the Order or amends the Order to the effect that the ranking priority will be affected;
- c) the Exchange staff amends or cancels the Order upon an Exchange Participant's request;

- d) the Exchange staff cancels the Order and possibly all other Orders placed by an Exchange Participant in the event that misconduct is suspected,
- e) HKATS automatically purges the Order when its specified validity time expires, when its specified SMP ID is no longer valid for the relevant Exchange Participant or in accordance with the SMP Instruction for its specified SMP ID;
- f) HKATS automatically inactivates the Order when all Orders belonging to an Authorized Person are inactivated due to a lost connection between the local trading workstation and the host computer;
- g) HKATS automatically cancels the Order if the trading in the relevant Exchange Contract is suspended;
- h) the Exchange may cancel the Order and all other Orders specifying a validity time of "Rest of Day" where Market conditions warrant such action; or
- i) HKATS automatically inactivates the Order at the end of the T Session, if applicable, unless otherwise specified by the Authorized Person that the Order is also valid for the T+1 Session. Any inactivated Order with validity time beyond the same Trading Day will be automatically reactivated at the start of the T Session on the next Trading Day.