

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: Large Open Position (“LOP”) Reporting Procedures for Severe Weather Trading

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Reference is made to the Circulars dated 16 September 2024 (Ref: [CT/148/24](#) and [MO/DT/206/24](#)) regarding the implementation of Severe Weather Trading (“**SWT**”) in Hong Kong Securities and Derivatives Markets.

To maintain the monitoring capability on LOPs during a SWT day, the existing LOP reporting procedures pursuant to Rule 628 of the Rules, Regulations and Procedures of the Hong Kong Futures Exchange Limited (the “**Exchange**” or “**HKFE**”) will remain applicable during SWT Days.

An Exchange Participant holding positions in an Exchange Contract in excess of a LOP held for its own account or for any of its clients shall file a LOP report with the Exchange no later than 12:00 noon of **the next Trading Day¹ for the relevant Exchange Contract**, and continue to file a LOP report on each succeeding day for as long as the Exchange Participant holds positions in excess of the LOP.

A person (e.g. a Client of an Exchange Participant) who holds positions in an Exchange Contract in excess of a LOP and files the LOP report to the Exchange directly (instead of via its Exchange Participant(s)) shall be subject to the reporting procedures as prescribed above.

To avoid any potential confusion, the Large Open Position Reporting Procedures attached to the Circular issued on 25 October 2005 (Ref: [ED/DMD/MD/024/05](#)) (attached as Appendix 1) are

¹“Trading Day” means, in relation to an Exchange Contract, any day (including any public holiday in Hong Kong) during which the Exchange is open for trading that Exchange Contract according to the trading calendar prescribed by the Exchange from time to time.

updated for the purposes of housekeeping and removing some obsolete terms (e.g. discontinued trading of Three-Year Exchange Fund Note Futures etc.) and to reflect the above LOP reporting procedures.

Exchange Participants are required to observe and comply with the reporting procedures stipulated in this Circular, and to inform their Clients of the reporting requirements and their responsibilities of reporting.

Please contact the Market Surveillance and Monitoring Department (email: lophkfe@hkex.com.hk) should there be any questions regarding the above.

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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.

Large Open Position (“LOP”) Reporting Procedures

(Effective 23 September 2024)

A. General

1. These Procedures are prescribed by the Hong Kong Futures Exchange Limited (the “**Exchange**” or “**HKFE**”) pursuant to Rules 628 and 633 of the Rules, Regulations and Procedures of the Futures Exchange (the “**Procedures**”) and supersede the Large Open Position Reporting Procedures attached to the Circular to Exchange Participants of 25 October 2005 (Ref: [ED/DMD/MD/024/05](#)). Unless otherwise indicated, all terms in the Procedures shall have the meanings assigned to them in the Exchange Rules.
2. Any Exchange Participant holding for its own account or for each of its Clients, as the case may be, an amount of open positions in a particular futures contract month or options series in excess of the specified number of any one contract month or any one series will be considered as holding a LOP. Please note that this is similar to the concept of “Reporting Level” prescribed in the Securities and Futures (Contracts Limits and Reportable Position) Rules (the “**SF Rules**”). Where the LOP is considered in terms of open contracts, the open contracts will be calculated on a gross basis.

Any Exchange Participant holding positions in an Exchange Contract in excess of a LOP for its own account or for each of its Clients shall file a LOP report with the Exchange, in accordance with these Procedures, no later than 12:00 noon of the next Trading Day¹ of the relevant Exchange Contract, and continue to file a LOP report on each succeeding day for as long as the Exchange Participant holds positions in excess of the LOP.

B. Reporting by Exchange Participants to the Exchange

1. **Positions held by Exchange Participants** – where an Exchange Participant holds for its own account open positions in an Exchange Contract in excess of the

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number of contracts specified in the Contract Specification, the Exchange Participant shall file a LOP report in the form specified by the Exchange.

2. **Positions held by Clients** – where an Exchange Participant holds on behalf of a Client open positions in an Exchange Contract in excess of the number of contracts specified in the Contract Specification, the Exchange Participant shall file a LOP report in the form specified by the Exchange.

C. Large Open Position Report Contents

1. In making a LOP Report, an Exchange Participant shall provide the Exchange the following information:
 - i. the account number;
 - ii. the account name;
 - iii. the ultimate beneficial owner of the account (the “ultimate beneficial identity”);
 - iv. the transaction originator (if the instruction in relation to a transaction is not originated by the ultimate beneficial identity);
 - v. the product code;
 - vi. whether the person reporting the position is the ultimate beneficial identity, transaction originator or omnibus account operator;
 - vii. the type of account;
 - viii. the nature of the reportable position (i.e. for hedging, trading or arbitraging purpose);
 - ix. the contract type;
 - x. the contract series; and
 - xi. number of long and/or short position held for each LOP.
2. Where an Exchange Participant holds position on behalf of an omnibus account operator, each sub-account shall be treated separately as a Client for the purposes of calculating and reporting LOPs.
3. Where an Exchange Participant is aware that a number of its Client accounts are held for the same Client, these accounts should be aggregated in calculating whether a LOP exists and in reporting the positions held.

D. Reporting by a person other than an Exchange Participant

1. An Exchange Participant shall inform its Clients the reporting requirements and the responsibilities of reporting set out in the Exchange Rules, these Procedures and the SF Rules and related guidance notes issued by the Securities and Futures Commission.
2. A person (e.g. a Client) holding positions in excess of a LOP can choose to file the LOP Report to the Exchange directly or through an Exchange Participant. Where positions are held by a person with more than one Exchange Participant and notwithstanding that positions separately held by each of these Exchange Participants for the Client may not have exceeded the LOP, the Client may instruct any of or all these Exchange Participants to report LOPs to the Exchange on his behalf such that the total number of positions reported shall represent the total number of positions which are held by the Client.
3. A person who holds positions in an Exchange Contract in excess of a LOP and files the LOP report to the Exchange directly (instead of via its Exchange Participant(s)) shall be subject to the reporting procedures as prescribed in the Procedures.