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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

Subject: Implementation of Severe Weather Trading Starting from 23 September 2024

Enquiry: HKATS Hotline¹ Tel: 2211-6360

Reference is made to the Consultation Conclusions for Severe Weather Trading (“SWT”) of Hong Kong Securities and Derivatives Markets published on 18 June 2024 (“[Consultation Conclusions](#)”) and the circulars dated 15 July 2024 and 2 August 2024 (Ref: [MO/DT/159/24](#) and [MO/DT/174/24](#)). Hong Kong Futures Exchange Limited (“the Exchange” or “HKFE”) is pleased to announce that the Exchange has received regulatory approval for the implementation of SWT. SWT will come into effect starting from 23 September 2024.

All Exchange Participants (“EPs”) of HKFE are requested to note the following:

Operational Arrangements for SWT

Trading of HKFE products on the Exchange will remain available during severe weather (“SW”) conditions² (“SWT Day”) ³. All EPs are required to support trading activities during SW conditions as they normally would do on a regular trading day. A summary of operational arrangements for HKFE products is provided in Attachment 1.

¹ All calls to the HKATS hotline will be recorded. Please refer to the following link for HKEX privacy policy statement: [Privacy Notice \(hkex.com.hk\)](#)

² Including Typhoon Signal No. 8 or above or the Black Rainstorm Warning issued by the Hong Kong Observatory, or “Extreme Conditions” announcement by the HKSAR Government

³ With reference to international standards and practices on the operation of the securities and derivatives markets, HKEX will assess specific circumstances in consultation with the HKSAR Government and the Securities and Futures Commission (“SFC”) to decide whether there is an exceptional situation that warrants the markets to be closed. HKEX will make relevant advance announcements to the market as required.

Final Check on Operational and System Readiness for SWT

To ensure safety, remote working and the use of online services are strongly encouraged on a SWT Day. The Exchange would like to remind EPs to run through the checklist of the [Severe Weather Trading - Readiness Declaration Form](#) to ensure their operational and system readiness for SWT.

Matthew Cheong
Co-Head
Trading Department
Operations Division

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 1

Summary of Operational Arrangements for HKFE Products

		“Business as Usual” or BAU - Trading Day without SW conditions	SWT Day (Starting from 23 September 2024)
1	Trading	Arrangements follow regular trading day	Same as BAU
2	Determination of Final Settlement Price (“FSP”) or Official Settlement Price (“OSP”)	FSP or OSP can be determined on Last Trading Day or Expiry Day	Same as BAU ⁴
3	Large Open Position (“LOP”) Reporting	To report LOP for open positions that opened or accumulated on previous trading day	Same as BAU ⁵
4	Client Margin Requirements under HKFE Rule 617	Requirements follow regular trading day	Same as BAU ⁶
5	Clearing, settlement & collateral management	Arrangements and schedules follow regular trading day and settlement day	Same as BAU ⁷
6	Risk management arrangement such as daily mark-to-market, margin, Reserve Fund (“RF”) contributions, collateral policy and default management	Arrangements and schedules follow regular trading day	Same as BAU
7	Data dissemination of HKEX Orion Market Data Platform – Derivatives Market (“OMD-D”)	Available for connection with full market data dissemination	Same as BAU
8	Holiday Trading	Available	Same as BAU

⁴ Except for One-Month HIBOR Futures and Three-Month HIBOR Futures. Should the last trading day of the One-Month and Three-Month HIBOR Futures fall on a SWT Day, the final settlement price will be based on the HIBOR rate available on the next trading day without severe weather conditions.

⁵ A separate Circular for Large Open Position (“LOP”) Reporting Procedures for Severe Weather Trading will be published by the HKFE in due course.

⁶ During SWT Day, established Clients may be unable to complete fund transfers to the EP within the prescribed timeframe to settle outstanding margin calls while exhausting all reasonable means without risking personnel safety (such circumstances may include temporary power outages or the suspension of electronic money transfer channels). The HKFE considers it acceptable not to treat the outstanding margin call as an unfulfilled margin call for the purpose of the EP’s assessment under Rule 617(b) if the EP confirms that the fund transfer was completed on the day immediately following the SWT Day and an established Client can provide the EP with documentary evidence, as appropriate, demonstrating the following: i. The client holds sufficient funds with bank to fulfil its margin obligations; and ii. Justification to substantiate the delay in fund transfer.

⁷ Except for i. One-Month and Three-Month HIBOR Futures, where the corresponding clearing service will be extended accordingly if the HIBOR rate is not available and ii. Gold and Silver Futures, where final settlement will be postponed to next trading day without SW conditions.