

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: Primary Market Maker Programs for Physically-Settled Stock Index Futures Options Contracts and Stock Index Options Contracts

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Hong Kong Futures Exchange Limited ("The Exchange") is pleased to announce the renewal of Primary Market Maker ("PMM") Programs for following contracts, with effect from **2 July 2025 (Wednesday)**, for a period of 1 year through 30 June 2026, inclusive.

- Hang Seng Index Options ("HSI Options");
- Hang Seng China Enterprises Index Options ("HHI Options");
- Hang Seng TECH Index Options ("HSTECH Options");
- Physically-settled option contracts on HSI Futures ("PHS Options");
- Physically-settled option contracts on HHI Futures ("PHH Options"); and
- Physically-settled option contracts on HSTECH Index Futures ("PTE Options").

Please refer to the attachment for details of the PMM programs. The application deadline for applicants who seek a start date of 2 July 2025 is **20 June 2025**. Interested and eligible parties should contact HKATS Support (HKATSSupport@hkex.com.hk) by email.

Fang Fang
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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.

PMM Programs for Physically-settled Stock Index Futures Options and Stock Index Options

1. PMMs will be required to:
 - a. provide continuous quotes (CQ) in not less than **100** option series out of 238 option series in CQ series selection pool in T Session (See Table 1A for details of CQ obligations); and
 - b. respond to at least **70%** of the quote requests (QR) issued for all short-dated expiry months in T Session (See Table 1B for details of QR obligations).

Table 1A - CQ Obligations – for PHS Options, HSI Options, PHH Options and HHI Options

Assigned CQ series		100 series (chosen from the series selection pool below)	
CQ series selection pool			
Contract Month	Moneyiness	Call	Put
Spot month	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
2 nd calendar month	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
3 rd calendar month	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
4 th calendar month	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
1 st quarter	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
2 nd quarter	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
3 rd quarter	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
Total		238	
Min. Quote Size (contracts)	Spot, 2 nd , 3 rd , 4 th calendar months	7	
	1 st , 2 nd , 3 rd quarter	5	
Max. Bid/Ask Spread	Spot, 2 nd , 3 rd , 4 th calendar months	Option price: 1-750 points	10% of the bid price of the quote or 30 points, whichever is higher
		Option price: > 750 points	75 points
	1 st , 2 nd quarter	Option price: 1-750 points	15% of the bid price of the quote or 40 points, whichever is higher
		Option price: > 750 points	115 points
	3 rd quarter	Option price: 1-750 points	20% of the bid price of the quote or 50 points, whichever is higher
		Option price: > 750 points	150 points
Min. Trading Hours	90% in T Session		

Table 1B - CQ Obligations – for PTE Options and HSTECH Options

Assigned CQ series		100 series (chosen from the series selection pool below)	
CQ series selection pool			
Contract Month	Moneyness	Call	Put
Spot month	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
2 nd calendar month	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
3 rd calendar month	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
4 th calendar month	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
1 st quarter	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
2 nd quarter	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
3 rd quarter	Nearest Out-of-the-money	15	15
	Nearest In-the-money	2	2
Total	238		
Min. Quote Size (contracts)	Spot, 2 nd , 3 rd , 4 th calendar months		7
	1 st , 2 nd , 3 rd quarter		5
Max. Bid/Ask Spread	Spot, 2 nd , 3 rd , 4 th calendar months	Option price: 1-750 points	10% of the bid price of the quote or 12 points, whichever is higher
		Option price: > 750 points	75 points
	1 st , 2 nd quarter	Option price: 1-750 points	15% of the bid price of the quote or 16 points, whichever is higher
		Option price: > 750 points	115 points
	3 rd quarter	Option price: 1-750 points	20% of the bid price of the quote or 20 points, whichever is higher
		Option price: > 750 points	150 points
Min. Trading Hours	90% in T Session		

Table 1C - QR Obligations – for PHS Options, HSI Options, PHH Options and HHI Options

Min. Trading Requirement	70% of QR (for all short-dated contract months) in T Session		
Min. Quote Size (Contracts)	Spot, 2 nd , 3 rd , 4 th calendar months		7
	1 st , 2 nd , 3 rd quarter		5
Max. Bid/Ask Spread	Spot, 2 nd , 3 rd , 4 th calendar months	Option price: 1-750 points	10% of the bid price of the quote or 30 points, whichever is higher
		Option price: > 750 points	75 points
	1 st , 2 nd quarter	Option price: 1-750 points	15% of the bid price of the quote or 40 points, whichever is higher
		Option price: > 750 points	115 points
	3 rd quarter	Option price: 1-750 points	20% of the bid price of the quote or 50 points, whichever is higher
		Option price: > 750 points	150 points
Max. Time Limit for Responding to QR	20 seconds		
Min. Display Time	20 seconds		

Table 1D - QR Obligations – for PTE Options and HSTECH Options

Min. Trading Requirement	70% of QR (for all short-dated contract months)		
Min. Quote Size (Contracts)	Spot, 2 nd , 3 rd , 4 th calendar months		7
	1 st , 2 nd , 3 rd quarter		5
Max. Bid/Ask Spread (revised)	Spot, 2 nd , 3 rd , 4 th calendar months	1-750 points	10% of the bid price of the quote or 12 points, whichever is higher
		> 750 points	75 points
	1 st , 2 nd quarter	1-750 points	15% of the bid price of the quote or 16 points, whichever is higher
		> 750 points	115 points
	3 rd quarter	1-750 points	20% of the bid price of the quote or 20 points, whichever is higher
		> 750 points	150 points
Max. Time Limit for Responding to QR	20 seconds		
Min. Display Time	20 seconds		

Incentives

1. PMM that fails the PMM obligations but fulfills the obligation of Regular Market Maker (i.e. CQMM or QRMM) shall be entitled to the discounted trading fee of a Regular Market Maker.
2. Additional throughput with Mass Quote (MQ) and Market Maker Protection functions will be allowed to facilitate PMM to provide continuous quotes more efficiently.

Transaction per second (TPS) with MQ: 1 TPS for every 3 CQ series

TPS per OAPI connection with MQ: Optional to select 5, 10, 20 or 50 TPS

3. The PMM is entitled to waivers monthly sub-license fee for OMnet Application Programming Interface (OAPI) connections to HKATS as follows:
 - 16 OAPIs for HSI Options and PHS Options;
 - 8 OAPIs for HHI Options and PHH Options; and
 - 8 OAPIs for HTI Options and PTE Options.

Selection Criteria

1. Eligibility criteria: Existing MMs of the relevant options product who have not had any MM permits revoked in any option products in the past 6 months.
2. The number of PMMs in each options product is limited to **10**. If the number of applicants exceeds the quota, applicants will be ranked in the following orders:
 - Existing PMMs of the relevant options
 - Existing CQMM of the relevant options for both T and T+1 sessions
 - Existing CQMM of the relevant options in either T or T+1 session
 - Existing QRMM of the relevant options for both T and T+1 sessions
 - Existing QRMM of the relevant options in either T or T+1 session
3. Service term: The PMMs' service term for the period shall be from 2 July 2025 to 30 June 2026.
4. If the number of applicants in the same ranking exceeds the remaining quota, we will consider the past market making performance, followed by the trading volume in the past 6 months. The Exchange shall retain sole discretion in the selection of the applicants.