

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: Introduction of Hang Seng Biotech Index Futures

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Hong Kong Futures Exchange Limited (“the Exchange” or “HKFE”) plans to introduce futures contracts based on the Hang Seng Biotech Index (“the Proposed Contract”) tentatively on **28 November 2025** (“Launch Date”), subject to regulatory approval.

Hang Seng Indexes Company Limited launched the Hang Seng Biotech Index (“HSBIO”) on 16 December 2019. The index tracks the 30 largest biotech companies listed in Hong Kong. The introduction of the Proposed Contract will bring new tools for managing exposure in biotechnology and related sectors in Hong Kong.

¹ All calls to the HKATS hotline are recorded. Please refer to the following link for HKEX privacy policy statement:
http://www.hkex.com.hk/eng/global/privacy_policy.htm

Proposed Contract Specifications

Key contract specifications of the Proposed Contract are summarised below:

Contract	Hang Seng Biotech Index Futures
HKATS Code	HBI
Underlying Index	Hang Seng Biotech Index
Trading Currency	HKD
Underlying Index Currency	HKD
Settlement Method	Cash (HKD)
Contract Multiplier	HKD 50
Minimum Fluctuation	1 index point
Pre-Opening (HK Time)	8:45 am – 9:15 am; 12:30 pm – 1:00 pm
Trading Hours (HK Time)	9:15 am – 12:00 pm (morning trading session); 1:00 pm – 4:30 pm (afternoon trading session); (4:30pm – 4:45pm for Block Trade order entry period); 5:15 pm – 3:00 am (T+1 trading session) There is no afternoon or after-hours trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on these three days shall be 9:15 am – 12:30 pm There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States
Trading Hours on LTD	9:15 am – 12:00 pm (morning trading session); 1:00 pm – 4:00 pm (afternoon trading session) There shall be no afternoon or after-hours trading session if the Last Trading Day falls on Christmas Eve, New Year's Eve and Lunar New Year's Eve
Trading Day	Hong Kong trading day
Contract Months	Spot month, the next 3 calendar months and the next 3 calendar quarter months
Last Trading Day (LTD)	The second last Trading Day of the Contract Month
Final Settlement Day (FSD)	The first Trading Day after the Last Trading Day
Final Settlement Price (FSP)	The average of the underlying index quotations taken at (i) five (5) minute intervals from five (5) minutes after the start of, and up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the LTD, rounded down to the nearest whole number.
Large Open Position	500 open contracts, in any one Contract Month
Position Limit	2,000 net contracts long or short for all Contract Months combined
Trading Fee	HKD 5.00
Commission Levy	HKD 0.54
Settlement Fee	HKD 5.00

Trading Arrangements

Pre-Launch Arrangements

To facilitate market participants in the trading and clearing of the Proposed Contract, the following pre-launch arrangements will be made available one business day before the Launch Date:

- a. Trading codes will be displayed on HKATS, but the contracts will not be tradable on that day; and
- b. Information relating to the Proposed Contract will be generated in the risk parameter files ("RPF"), clearing and open interest reports.

The purpose of the generation of RPF one business day before the Launch Date is to assist Participants to estimate the margin requirements for trading on the Launch Date. Please note that the margin requirements estimated using the RPF available on the business day before the Launch Date may not be the same as the actual amounts required on the Launch Date. Hong Kong Exchanges and Clearing Limited ("HKEX") and its subsidiaries accept no liability whatsoever for any loss or damage arising from or in connection with the use of the information contained in such RPF. Participants who wish to use the above-mentioned RPF are reminded to update the PC-SPAN Organisation Master File.

Other Trading Arrangements

- a. The block trade Minimum Volume Threshold is 50 contracts for the Proposed Contract;
- b. Block trade permissible price range are as below (see details in Attachment I):
3% from notation price
- c. Error Trade price parameter are as below (see details in Attachment I):
3% from notation price
- d. Large-Scale Error Trade price parameter are as below (see details in Attachment I):
6% from notation price
- e. The Volatility Control Mechanism ("VCM") will be applicable to spot and spot-next contracts of the Proposed Contract. It is triggered when a potential execution price deviates by more than 20% from the last traded price 5 minutes ago²;
- f. Price limit will not be applied during T session but will be applied in the T+1 session. The price limit will be +/-5% from the last traded price of each contract month in the T Session. If there is

² Please refer to the [Trading Mechanism of VCM](#) on HKEX website for more details.

no last traded price of a specific contract month during the T Session, the previous day's daily settlement price of the same contract month will be used as the reference price. For newly listed contract months, the reference price of the preceding contract month will apply;

- g. Dynamic Price Banding Mechanism will be applicable to spot and spot-next contracts of the Proposed Contract in both T and T+1 session. The price bands will be recalculated when there is a change in the prevailing market price level. The Deviation Parameter and Update Parameter will be 4% and 1% respectively from reference price³; and
- h. The maximum HKATS order size limit is 1,000 contracts. Exchange Participants ("EPs") are required to submit their request to HKFE for setting up their own order size limits based on their business needs and risk management requirements.

Risk Management Arrangements

Margin offset with existing HKFE products (if any) will be offered in PRiME⁴. Clearing Participants ("CPs") can allocate the eligible positions to relevant account(s)⁵ in accordance with the Clearing House Procedures for margin offset claim purpose. Margin levels and margin offset parameters⁶ will be announced and an update of PC-SPAN Organisation Master File will be made available in due course. More details of the risk management arrangements will be provided in separated HKFE Clearing Corporation Limited ("HKCC") circular in due course.

Liquidity Provider and Active Trader Programs

The Exchange will introduce two incentives programs, namely Liquidity Provider ("LP") Program and Active Trader ("AT") Program to support the liquidity development of the Proposed Contract. Program details will be provided in a separate circular in due course.

Information Vendor Access Code

The access codes of major information vendors for the underlying index are as follows:

Information Vendor	Bloomberg L.P.	Thomson Reuters
Access Code	HSBIO Index	.HSBIO

³ Please refer to Appendix 5 of the [HKATS User's Guide](#) for details on Dynamic Price Banding

⁴ Please refer to section 2.7 of [PRiME Margining Guide](#) for details

⁵ Client Offset Claim Account

⁶ Delta/Spread Ratio and Spread Credit Rate

More information vendor access codes (including access codes for the Proposed Contract) will be updated on HKEX's website (<http://www.hkex.com.hk>) in due course.

SFC Commission Levy Exemption

The Commission Levy will be exempted for the first six months upon launch of Proposed Contract. Participants are advised to inform their clients of the Commission Levy exemption accordingly.

From 28 November 2025 to 27 May 2026 (T Session)	From 27 May 2026 (T+1 Session) onwards
Nil	HKD 0.54

Marketing and education

The Exchange will provide educational materials to support EPs in enhancing investors' knowledge of the Proposed Contract. Interested parties should contact Ms. Fang Fang (ffang@hkex.com.hk) or Ms. Zoe Yan (zoeyan@hkex.com.hk) for further information.

Participants' Readiness

Participants are required to notify their staff and all interested clients of the details. Please ensure that their trading and back office systems are ready for trading, clearing and risk management in order for a smooth operation upon the introduction of the Proposed Contract. In addition, staff should be fully aware of the above and should exercise caution when dealing with the Proposed Contract and when advising their clients.

Brian Roberts
Head of Equities Product Development Department
Markets Division

This circular has been prepared in English with a Chinese translation. If there is any inconsistency between the two versions, the English version shall prevail.

Attachment I

Block Trade Permissible Price Range

With reference to the HKFE rule 815A (5), the price at which a block trade is executed must be fair and reasonable, and the permissible price range for block trades is determined in the following manner:

- (a) When the executed price is at or within the range of highest traded price, lowest traded price, bid and ask price of the contract; or
- (b) When the executed price is within a price range to both sides of a reference price obtained through prevailing market prices, or if necessary, determined as the theoretical values based on the prevailing underlying values. The block trade permissible price range for Proposed Contract is 3%.

Error Trade Parameters

The price parameters for the purposes of the error trade rule under HKFE Rule 819B is 3% from notation price.

Note:

The notation price of Stock Index Futures Contracts will be determined as follows:

- (a) The last traded price within 5 minutes prior to the error trade;
- (b) The mid-point of the best bid/ask price immediately prior to the error trade;
- (c) Last settlement price; or
- (d) The difference of notation prices between the related outright contracts (calendar spread only).

Notwithstanding the foregoing, the Exchange shall have absolute discretion in determining the notation price.

Large Scale Error Trade Notation Price

The price parameter for the purposes of the large-scale error trade rule under HKFE Rule 819BA is 6% from notation price.

Note:

The notation price of Stock Index Futures Contracts will be determined by the following sequence:

- (1) last traded price immediately prior to the Large-Scale Error Trade; or
- (2) the Underlying Futures price from the latest RPF.

Notwithstanding the above, the Exchange shall have absolute discretion in determining the Notation Price.

Disclaimer of Hang Seng Indexes Company Limited

Hang Seng Indexes Company Limited (“HSIL”) currently publishes, compiles and computes a number of stock indexes and may publish, compile and compute such additional stock indexes at the request of Hang Seng Data Services Limited (“HSDS”) from time to time (collectively, the “Hang Seng Indexes”). The marks, names and processes of compilation and computation of the respective Hang Seng Indexes are the exclusive property of and proprietary to HSDS. HSIL has granted to the Exchange by way of licence the use of the Hang Seng Indexes solely for the purposes of and in connection with the creation, marketing and trading of futures contracts based on any of the Hang Seng Indexes respectively (collectively, “Futures Contracts”). The process and basis of compilation and computation of any of the Hang Seng Indexes and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice and the Exchange may at any time require that trading in and settlement of such of the Futures Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indexes to be calculated. Neither the Exchange nor HSDS nor HSIL warrants or represents or guarantees to any participant or any third party the accuracy or completeness of the Hang Seng Indexes or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indexes or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSIL in respect of the use of the Hang Seng Indexes or any of them for the purposes of and in connection with the Futures Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSIL in the compilation and computation of the Hang Seng Indexes or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with the Futures Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against the Exchange and/or HSDS and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Futures Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any participant or third party and HSIL and/or HSDS and must not be construed to have created such relationship.