

Guiding Note on Marketing Programme for New Derivatives Products

Derivatives Market Data (for Real-time Licensed Information Vendors)

Purpose

Since September 2013, HKEX-IS introduced marketing programme to promote new derivatives products ("the Programme").

The Programme has invoked the following key features at its renewal after expiry at 31 Dec 2019:

1. **Extending the Programme duration** from end of 2019 to end of 2020
2. **Removal of Redistribution Fee waiver under the Programme effective 1 January 2020.** IVs who are currently enrolled/ will enrol in the Programme will be subject to respective Redistribution Fee regardless of the location of their clients from 1 January 2020 and onwards.
3. **Resumption of standard deposit requirement under the Programme.** All IVs who are currently enrolled/ will enrol in the Programme will be required to pay the applicable deposit.
4. **Removal of Australia, Japan, New Zealand and Singapore from the regions covered under the Programme ('the Regions') effective 1 March 2020.** The number of regions covered is now reduced to 7, namely Mainland China, Korea, Taiwan, Malaysia, India, Thailand and Vietnam. **Level 1, Level 2 & BMP Services Subscriber Fees Waiver for clients in the 7 regions remains unchanged.**

This Guiding Note aims to provide details of the Programme.

Programme Details

Programme Duration:		From September 2013 to end of 2020
Subscriber Fees Waiver:		
Subscriber Fees	Streaming Level 1 and Level 2 Data	<u>Waived</u> (savings of up to <u>\$75</u> per subscriber unit per month. Minimum monthly Subscriber Fee of \$2,250 is also waived)
		Requirements: (1) IV's services must display real-time data of the following products: <i>HKEX's new Currency Products, new Equity Products, new Commodities Products, CESC Index Futures</i> , as updated by HKEX-IS from time to time; and (2) Only apply to the subscribers from the Regions

	BMP Service	<p style="text-align: center;"><u>Waived</u> (savings of max. <u>\$54,000</u> per month)</p> <p><i>Note:</i></p> <ul style="list-style-type: none"> - <i>Waiver also applicable to mobile applications and third party website/mobile services</i> - <i>Additional supporting documents may be required to demonstrate business plans to target clients in the Regions</i> <p>Requirements:</p> <p>(1) IV's BMP Service must display data of the following products: <i>HKEX's new Currency Products, new Equity Products, new Commodities Products, CESC Index Futures</i>, as updated by HKEX-IS from time to time; and</p> <p>(2) BMP Websites shall include a version in local language of one the Regions</p>
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Information Vendors' (IVs) entitlement to the Programme is subject to the following conditions:

1. Prior approval: IVs who intend to apply for the Programme must seek prior approval from HKEX-IS by submitting Enrolment Form and relevant licence and service application forms. However, IVs who have previously enrolled in the Programme do not need to re-submit the Enrolment Form. Please refer to the details below.
2. Deposit for real-time derivatives datafeed: It is our standard requirement for real-time data vendors to pay a deposit of min. \$100,000 for derivatives market data under the Market Data Vendor Licence Agreement (the Agreement). Financial information of these IVs would still need to be submitted.
3. Waiver on subscriber fee for streaming Level 1/2 data services: To enjoy the Subscriber Fee waiver for streaming Level 1/2 data services, IVs shall impose both technical and business controls to ensure with reasonable endeavour that the subscribers are residing and located in, and with data access only from India, Korea, Malaysia, Mainland China, Taiwan, Thailand and Vietnam regions. For the avoidance of doubt, the IVs can have subscribers from one or more regions of the above. The concerned subscribers shall mean residents genuinely residing or institutions physically located in India, Korea, Malaysia, Mainland China, Taiwan, Thailand and Vietnam. They shall access the data **ONLY** from the corresponding regions. Access from locations outside shall not be entitled to the benefits. For the sake of clarification, waiver is not applicable to non-display usage. For more details, please refer to this [link](#).
4. Waiver on subscriber fee for BMP services: To enjoy the Subscriber Fee waiver for BMP services, the BMP service must include a version in local language of one of the Regions and the IVs shall provide additional supporting documents as required by HKEX-IS to demonstrate business plans to target clients in the Regions.

5. Reporting (updated on 29 January 2016): IVs are required to report only the total number of subscriber units of their L1 and L2 subscribers in the Regions in their Monthly Subscriber Reports. IVs are still required to maintain the subscriber details and should provide the details to HKEX-IS within 30 days upon HKEX-IS' request for audit purposes.
6. Volume discount entitlement: The number of Subscriber Units for streaming Level 1/2 data claimed under the Programme shall not be counted towards the Volume Discount as per Schedule 5 of the Market Data Vendor Licence Agreement.
7. Waiver entitlement: IVs are required to claim the Subscriber Fees waivers (streaming Level 1/2 data and BMP services) before the due date for monthly payment and reporting. HKEX-IS may charge the standard Subscriber Fees as per the Datafeed services for units/BMP service not reported for the purpose of the Programme on or before the due dates for payment and reporting as stipulated in the Agreement.
8. Violation of the requirements: HKEX-IS may demand Subscriber Fees together with interest payments on any unpaid fees if, in the reasonable belief of HKEX-IS, the IVs are in violation of conditions of the Programme. The fees and interest payable will be calculated according to the terms and conditions of the Agreement. HKEX-IS' decision shall be final.
9. HKEX-IS shall have the absolute discretion over the approval or rejection of an IV's application for the Programme.
10. HKEX-IS reserves the right to amend the conditions of the Programme at any time. HKEX-IS also reserves the right to withdraw any previous approval granted under the Programme as it sees appropriate.

IVs who have previously enrolled in the Programme

IVs who have completed the application and licensing arrangement for the Programme do not need to re-submit the Enrolment Form, they will be automatically entitled to the new benefits.

HKEX-IS will follow up separately with IVs or applicants who have previously submitted the Enrolment Form but have not yet completed licensing application. IVs and applicants may also contact HKEX-IS directly for further details.

Enrolment Method

IVs who intend to enrol in the Programme should complete and return the Enrolment Form to MarketData@hkex.com.hk. The Data Licensing & Marketing team will follow up on the licence (only for new vendors) and service application process. Should there be any questions, please contact MarketData@hkex.com.hk.