

## Section A – Notes to the Application

- a. **Market Making Orion Central Gateway – Securities Market (MMOCG-C) Session:** MMOCG-C session in the application form and explanatory note has the same meaning of Market Making Central Gateway (MMCG) session as defined in the Rules of the Exchange. CG means a hardware and software component operated by HKEX, which provides the communications interface between the HKEX Orion Trading Platform – Securities Market (OTP-C) and New Securities Trading Device (NSTD).
- b. **New Securities Trading Device (NSTD):** It is developed by vendor ET Trade Limited and is offered to Exchange Participant (EP) for trading purposes under the brand name “ET Trade Speed Station” (ETTSS).
- c. **ET Trade Speed Station (ETTSS):** ETTSS production server is located at the HKEX Hosting Data Centre and interfaces directly with CG to access the trading system and directly with HKEX Orion Market Data Platform – Securities Market (OMD-C) to acquire real-time market data. One ETTSS server can support from 1 to 25 ETTSS. EP is required to provide physical hardware and Microsoft Windows software for the ETTSS or directly purchase from ET Trade Limited. For 1 to 2 ETTSS located at the same site, a minimum 1M circuit is required. For 3 to 25 ETTSS located at the same site, a minimum 3M circuit is required. Dual circuits are recommended for resiliency. SDNet/2 circuit for ETTSS cannot be shared with BSS or other HKEX applications. SDNet/2 circuit for ETTSS is provided by two Accredited Vendors (Hong Kong Telecommunications Limited (HKT)) and HKBN Enterprise Solutions HK Limited (HKBNES)).
- d. **Market Making Central Gateway (MMCG) Session:** A MMCG session means a CG session applied by an EP
- (i) for carrying out market making activities in a Market Making Security (e.g. Designated Exchange Traded Funds, Leveraged and Inverse Products (L&I Products) and securities traded under the Pilot Program) by a Securities Market Maker (SMM) itself and/or by a SMM’s registered Designated Specialists. A dedicated MMCG session must be set up for each registered Designated Specialist for conducting the market making activities; or
  - (ii) for carrying out liquidity provisioning activities to a Structured Product (e.g. Derivative Warrants & Callable Bull/Bear Contracts) by a Structured Product Liquidity Provider (SPLP) or by a Backup SPLP when SPLP fails to provide liquidity provision. MMCG session can connect to ETTSS.
- e. **Backup and Failover for ET Trade Speed Station:** The ETTSS server has built-in resiliency and disaster recovery capability. In the event of a hardware failure or a data centre site failure, the ETTSS can automatically re-connect to the backup servers in either the primary or disaster recovery data centres.
- f. **Market Data for ET Trade Speed Station:** The ETTSS server receives market data directly from the OMD-C Securities Standard (SS) feed for display on the ETTSS. ET Trade limited will collect an Information Service Fee from EP for each ETTSS on behalf of HKEX Information Services Limited.
- EP who provides and/or subscribes securities market data display terminals from other HKEX-IS licensed information vendors (including NSTD) for its own internal usage purposes are eligible to claim for 20 free securities market data display units in total for each month. For details, please refer to the [Declaration Form](#) as posted in [HKEX website](#).
- g. **Broker Number Assignment:** A broker number will be assigned to each MMCG session. For SPLP’s MMCG session, up to 500 Structured Products will be assigned to a broker number.
- h. **Rollout Test Requirement of a MMCG Session under application and the Rollout:** After set up the new MMCG session, EP can contact HKEX – Participant General Enquiry Hotline at 2840-3626 to arrange Rollout Test. EP may rollout the new MMCG session after successful completion of Rollout Test, submission of NSTD Declaration and rollout notification to HKEX by giving not less than 1 week in advance notice, getting appointment by Issuer as Liquidity Provider of structured products/ getting approval from HKEX for Securities Market Maker Permit(s) or registration of Designated Specialist(s).

- i. **Standard CG Throttle Rate:** Each MMCG session shall assign at least 2 standard CG throttle rates and up to 250 standard CG throttle rates. EP can (i) base on CG throttle rate calculation [*i.e. First 5 listings of eligible securities assigned to MMCG session will be eligible for 2 standard CG throttle rates and an additional throttle rate will be eligible for the next 5 eligible securities (i.e. 6 to 10, 11 to 15 etc) up to 500 eligible securities.*] or (ii) request additional standard CG throttle rates in addition to the above calculation. In any cases, the total number of standard CG throttle rates assigned to the session cannot be more than 250 standard CG throttle rates.

Standard CG throttle rates assigned to a MMCG session will not be withdrawn upon delisting of the eligible securities (i.e. the number of standard CG throttle rate assigned to a MMCG session will be increased but not decreased, unless the CG throttle rate(s) are re-assigned to other MMCG session(s) under the same EP).

One standard CG throttle rate provides the throughput of 2 messages per second.

- j. **Message Rate Throttling:** All in-bound messages such as order submission, quote, etc. are collectively referred to as messages. Messages exceeding the entitled message rate will be rejected by OCG-C and ETTSS would automatically re-submit the message(s) in the next time window. HKEX reserves the right to disconnect a MMCG session, without any further exchange of messages, if that MMCG session is found to be violating the entitled message rate excessively.
- k. **Monthly Fee for MMCG Session:** The monthly fee will be charged at amounts depending on the number of standard CG throttle rates assigned to the MMCG session (i.e. low, standard and high capacity) rolled out as at the first trading day of each month. The fee is calculated on a full calendar month basis. A new MMCG session rolled out on the 2<sup>nd</sup> trading day or afterwards during the month will be charged of the monthly fee in the following month. There will be no refund of MMCG session fee for the month if the termination is effective during the month. Please refer to Section B – “Fees and Charges” for details of charges.
- l. **Monthly Fee for Backup MMCG Session:** The monthly fee for backup MMCG session is waived for ETTSS.
- m. **Monthly Fee for Standard CG Throttle Rate Assigned to a MMCG Session:** The monthly fee will be charged base on the number of standard CG throttle rate assigned to the MMCG session as at the first trading day of each month. The fee is calculated on a full calendar month basis. There will be no adjustment on the movement of standard CG throttle rate during the month. Please refer to Section B – “Fees and Charges” for details of charges.

## Section B – Fees and Charges

### a. One-Time Charge

<i>Fee Type</i>	<i>Amount (HK\$)</i>
Administration fee for each MMCG session	\$20,000

### b. Monthly Fee

<i>Chargeable Item</i>	<i>Amount (HK\$)</i>
MMCG Session Fee depending on the number of standard CG throttle rates assigned:	
Low Capacity Up to 20 standard CG throttle rates assigned	\$7,500 for each session
Standard Capacity 21 – 60 standard CG throttle rates assigned	\$10,000 for each session
High Capacity 61 – 100 standard CG throttle rates assigned	\$15,000 for each session
101 – 150 standard CG throttle rates assigned	\$20,000 for each session
151 – 200 standard CG throttle rates assigned	\$25,000 for each session
201 – 250 standard CG throttle rates assigned	\$30,000 for each session
Each Standard CG Throttle Rate assigned to a MMCG session	\$480