

HKATS Trading Procedures

CHAPTER 3 DEALING FUNCTIONALITY

This chapter sets out primary dealing functionality available in HKATS. Detailed input procedures in relation to these functions are more thoroughly described in the HKATS User's Guide and the HKATS Risk Functions User's Guide.

3.1 *Central Orderbook*

HKATS will maintain a Central Orderbook for each delivery month, option series and series name. Orders entered into HKATS will be placed in the respective Central Orderbook, and will be either matched with other Orders, or stored in the Central Orderbook, as the case may be.

Exchange Participants may place only "Limit Orders" in HKATS during trading hours. Exchange Participants may also specify certain conditions in respect of Limit Orders including "Specified Time", "Rest of Day", "Until Expiry", "Fill or Kill" and "Fill and Kill".

3.1.1 A Limit Order capable of being stored in the Central Orderbook (only Limit Orders which do not have either a "Fill Or Kill" or "Fill and Kill" condition attached) will remain in the Central Orderbook until one of the following events occurs:

- a) it is matched either fully or partially with an incoming Order. Where the Order is fully matched, it will be removed from the Central Orderbook, and where it is only partially matched, the remainder will be stored in the Central Orderbook until matched, cancelled or for the applicable period, as the case may be;
- b) the Authorized Person who input the Order or another Authorized Person of the same Exchange Participant cancels the Order or amends the Order to the effect that the ranking priority will be affected;
- c) the Exchange staff amends or cancels the Order upon an Exchange Participant's request;
- d) the Exchange staff cancels the Order and possibly all other Orders placed by an Exchange Participant in the event that misconduct is suspected,

- e) HKATS automatically purges the Order when its specified validity time expires, when its specified SMP ID is no longer valid for the relevant Exchange Participant or in accordance with the SMP Instruction for its specified SMP ID;
- f) HKATS automatically inactivates the Order when all Orders belonging to an Authorized Person are inactivated due to a lost connection between the local trading workstation and the host computer;
- g) HKATS automatically cancels the Order if the trading in the relevant Exchange Contract is suspended;
- h) the Exchange may cancel the Order and all other Orders specifying a validity time of "Rest of Day" where Market conditions warrant such action; or
- i) HKATS automatically inactivates the Order at the end of the T Session, if applicable, unless otherwise specified by the Authorized Person that the Order is also valid for the T+1 Session. Any inactivated Order with validity time beyond the same Trading Day will be automatically reactivated at the start of the T Session on the next Trading Day.