

**HKATS Trading Procedures**

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## **CHAPTER 1 OPERATION OF HKATS**

### 1.1 *HKATS*

HKATS is a trading system operated by the Exchange, with the host configuration provided by the Exchange and trading workstations located at Exchange Participants' premises. Exchange Participants' trading is conducted ~~through on HKATS through their connections to the central gateway of HKATS using applications developed by Exchange Participants based on the HKATS Application Programming Interface software ("API") sub-licensed to them by the Exchange or via HKATS Online, a browser-based frontend application granted access to Exchange Participants by the Exchange, use of a software known as "CLICK Trading". Alternatively, Exchange Participants may, with the consent of the Exchange, develop their own application software to connect to HKATS.~~ The functionality of HKATS is set out in the HKATS User's Guide provided by the Exchange to all Exchange Participants which trade through HKATS.

## **CHAPTER 2 ACCESS TO HKATS**

### 2.2 *Access Eligibility*

All Exchange Participants are eligible to trade through HKATS, subject to obtaining the prior approval of the Exchange in the form of a registration. Exchange Participants registered to trade through HKATS can either conduct trading through their connections to the central gateway of HKATS using API applications or via Click Trading~~HKATS Online or participate in automatic trading via the HKATS Application Programming Interface ("API").~~ They are in fact the exclusive means of access to HKATS by Exchange Participants. Each Exchange Participant must subscribe for and execute the HKFE-HKATS Subscription and Licence Agreement in the manner specified hereinafter in section 2.3 for each CLICK-API or HKATS Online connection before it will be permitted to gain access to HKATS.

### 2.3 *Application Procedure for HKATS Access*

The following outlines the application process in respect of each Exchange Participant wishing to trade through HKATS:

#### 2.3.1 *Execution of Subscription and Licence Agreement and other related forms*

An Exchange Participant will be required to sign a subscription and licence agreement in such form as may from time to time be prescribed by the Exchange ("HKFE-HKATS Subscription and Licence Agreement").

An Exchange Participant shall also sign such other related forms as may be required by the Exchange, such as the form requesting connection to HKATS prescribed by the Exchange and published on the HKEX website from time to time~~HKATS Usernames for access to HKATS (Form CA) (see Appendix II for a sample of this form).~~

2.3.2 ~~Submission of HKATS Workstation Installation/Termination Request Form(Repealed)~~

~~If an Exchange Participant wishes to subscribe for a new line and/or hardware, the HKATS Workstation Installation/Termination Request Form (a sample of which is set forth in Appendix II) must be completed, signed by the duly authorized personnel of the Exchange Participant and submitted to the Exchange. Thereafter, the relevant documents will be provided to nominated vendors for processing the request. The Exchange will closely monitor the installation status of Exchange Participants.~~

2.3.5 Assign New Usernames and User Node(s)

Upon receipt of the executed HKFE-HKATS Subscription, Licence Agreement and completed ~~Form CA~~the Request for Connection to HKATS Form, the Exchange will inform the Exchange Participant of its HKATS Username(s) and password(s) for accessing HKATS. The Exchange Participant shall follow such security and control measures pertaining the use of HKATS Usernames and passwords as are from time to time specified and advised by the Exchange. The Exchange Participant shall notify the Exchange on any change in the information provided on the Request for Connection to HKATS Form~~Form CA~~, including any deletion of HKATS Usernames.

2.3.7 ~~Summary of Exchange Participant Inventory(Repealed)~~

~~After completing the registration procedure, for each Exchange Participant, a copy of the HKATS Exchange Participant LAN Line/Workstation Summary, which serves as a means of inventory summary of each Exchange Participant, will be provided to the Exchange Participant. It not only contains the number of workstations and lines installed by the Exchange Participant but also the line numbers.~~

2.3.8 Cancellation of Exchange Participant Connection / Username(s) /Exchange Participant Node(s)

Exchange Participants which would like to terminate HKATS trading may do so by completing and submitting to the Exchange such a Click-HKATS connection Workstation termination request Installation/Termination Request Form to the Exchange~~form as may be prescribed by the Exchange and published on the HKEX website from time to time.~~

2.3.9 Resetting of User Password

An Exchange Participant may request the Exchange to reset any password or to reissue a password notification letter. ~~Such request shall be made~~ by completing and submitting to the Exchange such the Request For Resetting Password Form as may be prescribed by the Exchange and published on the HKEX website from time to time~~or the Request For Re-issuing Password Notification Letter (see Appendix II for a sample of these forms), whichever is appropriate.~~

## 2.4 *Security Measures*

There are three levels of security control, via hardware level, application level and user level.

At the hardware level, registered Exchange Participant nodes can only be connected to the network through the authorization procedures prescribed by the Exchange. When a user attempts to log on to the HKATS host computer via an Exchange Participant node, HKATS will automatically verify the node address to check if it is an authorized one. Without appropriate connection authority, the access will be denied.

At the application level, Exchange Participants may gain access to the HKATS host computer via the API or HKATS Online, which are. ~~The API is~~ the exclusive means of access to HKATS to ensure high system integrity.

At the user level, the application is protected from unauthorized access by means of username-password control. All valid users are granted a unique username, password as well as a signum. When a user attempts to log on, HKATS will check to see if that username is registered by looking into the central database of the host system. The username must also match with the password. Failure to comply with any one of the above conditions will result in access being denied.

It is the duty of every Exchange Participant and its registered HKATS users to keep confidential the password or passwords allocated to it or them.

For security purpose and also to ensure the uniqueness of each user type, their authority and accessibility will be confined to different sets of legal transaction type and menu access type respectively.

## **CHAPTER 3 DEALING FUNCTIONALITY**

### 3.4 *Limit Order Entry*

Limit Orders with a specified validity time can be entered through the "Enter Order Window" feature. This Window can be brought up from the "Order Actions" heading contained in the ~~Click~~ HKATS Online menu bar. Authorized Persons should adjust the ID (i.e. the delivery month, the option series or the series name), price and quantity as needed. After confirmation, an Order is entered. Any unmatched Order is then displayed in the Central Orderbook.

Limit Orders may also be entered through the "Execute Order Window" feature as more thoroughly described in section 3.6.

3.4.1 Limit Orders entered into the Central Orderbook must include the following information:

- a) time, delivery month, option series or series name as applicable;
- b) buy or sell;

- c) price;
- d) quantity; and
- e) validity time or conditions.

#### 3.4.2 Time-Stamping Rule

Every Exchange Participant must immediately time-stamp each Order received from Clients, by way of recording the time, date and complete particulars of trading instructions received from Clients. For trading through HKATS, the time an Order is accepted by HKATS as well as the trade execution time will automatically be recorded in HKATS.

### 3.6 *Order Execution through Use of the Execute Order Window Feature*

Authorized Persons may also execute Orders using the "Execute Order Window" by double clicking either the bid or ask side ("Reference Price"), depending on the desired order action, in the "Price Information Window", "Price Depth Window" or "Order Depth Window".

When the "Execute Order Window" comes up, the "Price", "Quantity", and "Average Price" fields will be displayed. Where no adjustment is made to such fields, the "Price" field will display the "Reference Price" which will represent the worst bid or ask price, as the case may be, at which an Authorized Person may execute an Order for the quantity specified in the "Quantity" field. The "Quantity" field will display the total quantity available for execution at the "Reference Price" which, where applicable will include all better bid or ask prices available in the Market. The "Average Price" field will display an indicative average price at which the Authorized Person may execute the Order for the quantity shown in the "Quantity" field. The "Price" and the "Quantity" fields can be adjusted by scrolling the respective arrow up or down. If the Authorized Person changes the price level or quantity, the "Quantity" or the "Price" field, as the case may be, as well as the "Average Price" field will be recalculated automatically. If the quantity available in the relevant Market is less than the quantity specified in the "Quantity" field, a zero will be displayed in the ~~"Price" and the "Average Price"~~ fields to reflect this situation. If the Authorized Person confirms the Order, the Order will be executed at the quantity then available in the Market. The validity time must also be specified: (i) Fill or Kill; or (ii) Fill and Kill (Default).

When entering a Limit Order, the Authorized Person must specify a price in the "Price" field, i.e. he must set a floor or a ceiling price at which his Order will be executed for such quantity as is available in the Market.

#### 3.12 ~~*Information Feed Status [Repealed]*~~

~~Exchange Participants should make sure that their local trading workstations are properly connected to the host computer. In doing so, Exchange Participants using CLICK should bring up the "Information Feed Status Window". If the connection is disrupted, an "OFF" indicator will be displayed in the status column of the Window. If the connection is normal, an "ON" indicator will be displayed in the same status column.~~

3.13 ~~Clearing Trades~~ Trade History

The "~~Clearing Trades~~ Trade History Window" displays information of trades that an Authorized Person's own Exchange Participant firm has made.

**CHAPTER 4 MARKET MAKERS**

4.3 *Market Making on HKATS*

In order to be entitled to Market Maker Incentives, Market Makers shall fulfil their market making requirements by providing Quotes on HKATS using the "Price Quotation Window" or "Quote Reply Window" of ~~CLICK-HKATS Online~~ or the equivalent price quotation functions of API connections. The use of these windows ~~are~~ is described in more detail in the HKATS User's Guide.

**CHAPTER 6 REPORTING SERVICES**

Through the ~~CLICK-HKATS Online~~ trading application, trade data can be both displayed and ~~printed-exported out~~ via the "Ticker" and the "~~Clearing Trades~~ History" Windows:

6.1 Ticker Window - trades can be ~~printed-exported out~~ through use of this Window.

6.2 ~~Clearing Trades~~ History Window - all trades done by an Exchange Participant firm during a Business Day can be ~~printed-exported out~~.

**CHAPTER 7 CONTINGENCY PROCEDURES**

7.3 *Equipment Failure*

In case of a failure, error or defect in any of the equipment relating to the trading of an Exchange Participant on HKATS (including but not limited to ~~terminals,~~ network equipment and communication lines), whether installed at the Exchange Participant's office premises or any other location, the Exchange Participant shall report the incident to the HKATS hotline immediately. Exchange Participants are requested to follow the procedures stipulated in the HKATS User's Guide regarding equipment failure.

~~An Exchange Participant can apply to the Exchange for a temporary connection to the contingency gateway in case of any connectivity failure experienced by the Exchange Participant using network gateway.~~ In case ~~the~~ of any connectivity failure ~~happens~~ during the after-hours trading session, ~~the~~ an Exchange Participant can apply to rent an HKATS terminal at the SOS Centre temporarily. The Exchange has the absolute discretion to determine whether or not to approve these applications.

An Exchange Participant experiencing a temporary loss of connectivity to HKATS may also request the Exchange to delete orders from or conduct other processes on HKATS on its behalf (“On-Behalf-Of Processing”). On-Behalf-Of Processing is principally intended for real contingency situations to reduce the financial risk of an Exchange Participant when there is an unexpected temporary failure in system access. It is not intended to be a long-term alternative for the Exchange Participant. The Exchange Participant is expected to restore its access to HKATS in the shortest time practicable. On-Behalf-Of Processing is subject to the availability of the resources of the Exchange at the time of an Exchange Participant’s request. The Exchange will appraise each request for On-Behalf-Of Processing on a case-by-case basis and shall have the absolute discretion to turn down any request which it deems inappropriate. The Exchange shall not be liable to any Exchange Participant for any On-Behalf-Of Processing conducted on its behalf.

A fee shall be payable by an Exchange Participant for ~~connecting to the contingency gateway~~, renting an SOS HKATS terminal and for any On-Behalf-Of Processing executed by the Exchange on its behalf.

## **Appendix II ~~—Forms~~**

[Repealed]

TO: **HONG KONG FUTURES EXCHANGE LIMITED**  
 (A wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited)

**10/F One International Finance Centre  
 1 Harbour View Street  
 Central  
 Hong Kong  
 (Ref: DTMO)**

**Fax: 2509-0724/  
 2877-0017  
 Hotline: 2211-6360**

**REQUEST FOR RESETTING PASSWORD**

**Particulars of Exchange Participant**

Name of Exchange Participant	Exchange Participant Firm ID
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**HKATS User Information**

Name of Authorized Person		
HKATS Username	Tel	Fax

**Details**

Reason for resetting password	
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We hereby request for the resetting of password for the Authorized Person stated above as stipulated in the HKFE Rules, Regulations and Procedures.

Authorized Signature \_\_\_\_\_  
 (with company chop)

Date \_\_\_\_\_

For Official Use Only		
Signature Verified	User Verified	Form NU Prepared
Password Reset	User Informed	Fees Charged



TO: **HONG KONG FUTURES EXCHANGE LIMITED**  
 (A wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited)

**10/F One International Finance Centre  
 1 Harbour View Street  
 Central  
 Hong Kong  
 (Ref: DTMO)**

**Fax: 2509-0724/  
 2877-0017  
 Hotline: 2211-6360**

**REQUEST FOR RE-ISSUING PASSWORD NOTIFICATION LETTER**

**Particulars of Exchange Participant**

Name of Exchange Participant	Exchange Participant Firm ID
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**HKATS User Information**

Name of Authorized Person		
HKATS Username	Tel	Fax

**Details**

Reason for re-issuing password notification letter	
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We hereby request for the reissuing of password notification letter for the Authorized Person stated above as stipulated in the HKFE Rules, Regulations and Procedures.

Authorized Signature \_\_\_\_\_  
 (with company chop)

Date \_\_\_\_\_

For Official Use Only		
Signature Verified	User Verified	Form NU Prepared
Password Reset	User Informed	Fees Charged

TO: **HONG KONG FUTURES EXCHANGE LIMITED**

(A wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited)

**10/F One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong  
(Ref: DM)**

**Fax: 2877-0017  
Hotline: 2211-6360**

**CLICK WORKSTATION INSTALLATION/TERMINATION REQUEST FORM**

**Particulars of Exchange Participant**

Exchange Participant	_____	
Contact Person	_____	Email _____
Phone No.	_____	Fax No. _____

**Services Required** (Please tick the box for the appropriate service(s) required.)

<input type="checkbox"/> Installation of CLICK	Intended Installation Date	_____
<input type="checkbox"/> Termination of CLICK	Intended Termination Date	_____
<input type="checkbox"/> Re-installation of CLICK	Intended Re-installation Date	_____
Number of CLICK	_____	
Address of Service Required	_____	

**PC Configuration**

Host Name (e.g. ABCWA1)	_____
Type of CPU (e.g. Pentium 4)	_____
Speed of CPU	_____ GHz
Memory	_____ GB RAM
Hard Disk	_____ GB
Display Card	_____ MB RAM

We hereby request for the installation/termination of CLICK workstation(s) as stipulated in the HKFE Rules, Regulations and Procedures.

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

(with company chop)

Name/Title

For Official Use	
	Remarks
Setup Guide Sent On	<input type="text"/>
Click Installed On	<input type="text"/>

**HKFE ~~HKATS~~ EXCHANGE PARTICIPANT  
CONTACT LIST**

To ÷ Hong Kong Futures Exchange Ltd.

Department ÷ Market Operations

Fax No. ÷ (852) 2509-0724 / 2877-0017 Date: | |

Exchange-Participant ÷ | |

Submitted by ÷ | |

Title ÷  Contact No. | |

Market\* ÷ Stock Index Futures and Options / Rolling Forex / Stock Futures / HIBOR Futures

**Please provide details of the contact person:**

	Name	Tel. No.	Fax No.	Telephone-Non-Office hours	Effective Date
Administration	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Clearing	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Trading	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Technical	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

\* Please select the appropriate type



**TO: ~~HONG KONG FUTURES EXCHANGE LIMITED~~**  
 (A wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited)

~~10/F One International Finance Centre~~ ~~Hotline: 2211 6360~~  
~~1 Harbour View Street~~ ~~Fax : 2877 0017 / 2509 0724~~  
~~Central, Hong Kong~~

**~~HKATS USERNAMES FOR ACCESS TO HKATS~~**

**PARTICULARS OF EXCHANGE PARTICIPANT**

Mnemonic	Participant Name
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**CONTACT PERSON**

Name	Tel	Fax
Position	E-mail	

**Part I — Request for additional HKATS usernames**

We hereby request the Exchange to issue            additional HKATS Username(s) to access HKATS. We acknowledge that such HKATS Username(s) is/are issued by the Exchange at its absolute discretion and may be revoked or suspended by the Exchange.

Name of Responsible Officer	Office tel no.	Mobile phone no.	E-mail Address

**Part II — Details of Authorized Persons (for addition of HKATS Usernames and change of contact person)**

We hereby notify the Exchange that in addition to our Responsible Officers, the Exchange may contact the Authorized Persons listed in the tables below in relation to our access to HKATS.

Existing username / No. of new usernames requested	CLICK / OAPI / HKATS Risk Functions user (only for any request of a new username)	Name of Authorized Person	First 4 digits of HKID card / passport no.	Office tel no.	Mobile phone no.

**Part III—Deletion of HKATS Usernames**

We hereby request for the deletion of the HKATS Username(s) set forth in the table below with effect from the date(s) specified. The Authorized Person(s) of such HKATS Usernames are also listed for the Exchange's information.

HKATS Username	Effective date	Current Authorized Person

We undertake to notify the Exchange immediately of any changes in the information provided above.

For and on behalf of

\_\_\_\_\_  
[Name of Exchange Participant]

\_\_\_\_\_  
Signature of Responsible Officer \_\_\_\_\_ Date  
with company chop

\_\_\_\_\_  
Name of Responsible Officer