

Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited

CHAPTER VIII

TRADING ARRANGEMENTS - PRACTICES AND SYSTEMS

Execution of Block Trades

815A. An Exchange Participant must ensure that the following criteria are satisfied when conducting a Block Trade:

(2) Minimum Volume Threshold

- (a) Subject to Rule 815A(2A), an Exchange Participant shall not execute any order as a Block Trade unless that order meets the applicable Minimum Volume Threshold set forth below and the Exchange Participant has received instructions or has been specifically authorized to execute the order as a Block Trade:

Exchange Contract	Minimum Volume Threshold^{Note 3} (no. of contracts)
Stock Index Futures <u>(unless otherwise specified in this table)</u> ^{Note 3}	100
<u>Hang Seng Index (HSI) Futures</u>	
- <u>first 4 Contract Months</u>	<u>100</u>
- <u>after the first 4 Contract Months</u>	<u>50</u>
<u>Hang Seng China Enterprises Index (HSCEI) Futures</u>	
- <u>first 4 Contract Months</u>	<u>100</u>
- <u>after the first 4 Contract Months</u>	<u>50</u>
Hang Seng TECH Index Futures	50
Hang Seng TECH Index Futures Options	50
Hang Seng TECH Index Options	50
MSCI AC Asia ex Japan Net Total Return Index Futures	50
MSCI Australia Net Total Return (USD) Index Futures	25
MSCI China A 50 Connect (USD) Index Futures	25
MSCI China (USD) Index Futures	50
MSCI China Net Total Return (USD) Index Futures	25
MSCI Emerging Markets (USD) Index Futures	50
MSCI Emerging Markets Asia ex China Net Total Return (USD) Index Futures	25

MSCI Emerging Markets Asia ex Korea Net Total Return (USD) Index Futures	25
MSCI Emerging Markets Asia Net Total Return (USD) Index Futures	25
MSCI Emerging Markets EMEA Net Total Return (USD) Index Futures	25
MSCI Emerging Markets ex China Net Total Return (USD) Index Futures	25
MSCI Emerging Markets ex Korea Net Total Return (USD) Index Futures	25
MSCI Emerging Markets Latin America Net Total Return (USD) Index Futures	25
MSCI Emerging Markets Net Total Return (USD) Index Futures	25
MSCI Hong Kong Net Total Return (USD) Index Futures	25
MSCI India (USD) Index Futures	25
MSCI India Net Total Return (USD) Index Futures	25
MSCI Indonesia (USD) Index Futures	50
MSCI Indonesia Net Total Return (USD) Index Futures	25
MSCI Japan Net Total Return (USD) Index Futures	25
MSCI Malaysia (USD) Index Futures	50
MSCI Malaysia Net Total Return (USD) Index Futures	25
MSCI New Zealand Net Total Return (USD) Index Futures	25
MSCI Pacific ex Japan Net Total Return (USD) Index Futures	25
MSCI Pacific Net Total Return (USD) Index Futures	25
MSCI Philippines (USD) Index Futures	50
MSCI Philippines Net Total Return (USD) Index Futures	25
MSCI Singapore Free (SGD) Index Futures	50
MSCI Singapore Free Net Total Return (USD) Index Futures	25
MSCI Singapore Net Total Return (USD) Index Futures	25
MSCI Taiwan (USD) Index Futures	50
MSCI Taiwan (USD) Index Options	50
MSCI Taiwan Net Total Return (USD) Index Futures	25
MSCI Taiwan 25/50 (USD) Index Futures	50
MSCI Taiwan 25/50 Net Total Return (USD) Index Futures	25

MSCI Thailand (USD) Index Futures	50
MSCI Thailand Net Total Return (USD) Index Futures	25
MSCI Vietnam (USD) Index Futures	50
MSCI Vietnam Net Total Return (USD) Index Futures	25
Hang Seng Index (Gross Total Return Index) Futures	10
Hang Seng Index (Net Total Return Index) Futures	10
Hang Seng China Enterprises Index (Gross Total Return Index) Futures	30
Hang Seng China Enterprises Index (Net Total Return Index) Futures	30
Stock Index Options (<u>unless otherwise specified in this table</u>) ^{Note 32}	100 ^{Note 2}
<u>Hang Seng Index (HSI) Options</u> ^{Note 2}	
- <u>first 4 Contract Months</u>	<u>100</u>
- <u>after the first 4 Contract Months</u>	<u>50</u>
<u>Hang Seng China Enterprises Index (HSCEI) Options</u> ^{Note 2}	
- <u>first 4 Contract Months</u>	<u>100</u>
- <u>after the first 4 Contract Months</u>	<u>50</u>
<u>Hang Seng Index Futures (HSIF) Options</u> ^{Note 2}	
- <u>first 4 Contract Months</u>	<u>100</u>
- <u>after the first 4 Contract Months</u>	<u>50</u>
<u>Hang Seng China Enterprises Index Futures (HSCEIF) Options</u> ^{Note 2}	
- <u>first 4 Contract Months</u>	<u>100</u>
- <u>after the first 4 Contract Months</u>	<u>50</u>
Stock Futures	100
Options on Stock Futures	100
HIBOR Futures (other than HIBOR strips)	80 ^{Note 1}
HIBOR strips	20
Five-Year MOF T-Bond Futures	50
EFN Futures	200
Currency Futures (other than Mini USD/CNH Futures)	50
Mini USD/CNH Futures	100
Currency Options	50
USD Gold Futures	30
CNH Gold Futures	30
USD Silver Futures	30
CNH Silver Futures	30

CNH London Aluminium Mini Futures	50
CNH London Zinc Mini Futures	50
CNH London Copper Mini Futures	50
CNH London Nickel Mini Futures	50
CNH London Tin Mini Futures	50
CNH London Lead Mini Futures	50
USD London Aluminium Mini Futures	50
USD London Zinc Mini Futures	50
USD London Copper Mini Futures	50
USD London Nickel Mini Futures	50
USD London Tin Mini Futures	50
USD London Lead Mini Futures	50
TSI Iron Ore Fines 62% Fe CFR China Futures	50

Note 1 For a single order involving a spread or a strategy combination except HIBOR strips, at least one of the legs of the spread or strategy combination must meet the Minimum Volume Threshold.

Note 2 For any order of Stock Index Options Contracts, all legs of a spread or a strategy combination that relate to Flexible Options must meet the Minimum Volume Threshold.

Note 3 Unless otherwise specified in the table, Notwithstanding the provisions of Rule 815A(2A), for the purposes of determining whether the Minimum Volume Threshold is satisfied, two separate orders belonging to the Exchange Participant or the same Client relating to the same contract month or option series that are executed at two different prices via two separate legs under a strategy combination Block Trade will be considered as having satisfied the Minimum Volume Threshold if the aggregate of the two orders meets the Minimum Volume Threshold.

(3) Block Trade Order Entry

- (a) Unless otherwise prescribed by the Exchange, A-a Block Trade must be negotiated during the trading hours of the Block Trade Contract concerned and be executed immediately on HKATS via the Block Trade Facility in one of the following ways:

- (i) A Block Trade order entry by one Exchange Participant

A Block Trade which is negotiated internally between accounts of an Exchange Participant or negotiated between two Exchange Participants may be entered into HKATS by one Exchange Participant. When two Exchange Participants are involved, either one of the Exchange Participants shall be responsible for transferring to the other Exchange Participant its positions by way of trade adjustment in accordance with the Clearing House Rules, which require the transferring Exchange Participant or where applicable, its General Clearing Participant to

inform the Clearing House of the trade adjustment request as soon as it has been confirmed by the receiving Exchange Participant or where applicable, its General Clearing Participant on DCASS.

(ii) A Block Trade order entry by two Exchange Participants

A Block Trade which is negotiated between two Exchange Participants may be separately entered into HKATS by the respective buying and selling Exchange Participants. The time difference between the input of one side of a Block Trade and the input of the other side of the Block Trade must be within the prescribed time period as set forth in the HKATS User's Guide. Any Block Trade order entered into HKATS but not matched within the prescribed time period will be cancelled automatically.

- 815B. Each Exchange Participant shall have in place a telephone recording system or an electronic communication system to record all Block Trade orders received ~~from~~ and all confirmations of executed Block Trades provided ~~through the telephone~~. Each Exchange Participant shall ensure that such telephone recordings or records are maintained ~~as part of its records~~ for at least 36 months.