

**Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited**

Contract Specifications  
For  
MSCI Taiwan (USD) Index Futures

The following Contract Specifications shall apply to the MSCI Taiwan (USD) Index Futures Contract:

Underlying Index/Index	MSCI Taiwan Index (the TWD index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Taiwan (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	Position delta for MSCI Taiwan (USD) Index Futures and MSCI Taiwan (USD) Index Options combined of 20,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and  Position delta for MSCI Taiwan (USD) Index Futures and MSCI Taiwan (USD) Index Options combined of 20,000 long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client

Pre-Market Opening Period (Hong Kong time)	8:30 a.m. – 8:45 a.m.	
Trading Hours (Hong Kong time)	8:45 a.m. – 1:45 p.m. (day trading session) 2:30 p.m. – 3:00 a.m. (after-hours trading session)	
	There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:45 a.m. – 12:30 p.m.	
	There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States	
Trading Hours on Last Trading Day (Hong Kong time)	8:45 a.m. – 1:45 p.m.	
	There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:45 a.m. – 12:30 p.m.	
Trading Method	The Exchange's Automated Trading System (HKATS)	
Final Settlement Day	The Business Day after the Final Settlement Price is determined	
Settlement Method	Cash (U.S. dollar) settled contract for difference	
Last Trading Day	The Business Day immediately preceding the last Business Day of the Contract Month. If the Last Trading Day falls on a Taiwan public holiday, the Last Trading Day will be the preceding Business Day which is also a business day in Taiwan	
Final Settlement Price	The Final Settlement Price for MSCI Taiwan (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI Taiwan Index compiled, computed and disseminated by MSCI Limited taken at (i) one (1) minute intervals during the last twenty five (25) minutes of trading on the Taiwan Stock Exchange Corporation before the end of the continuous trading session, and (ii) the closing index value on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances	
Trading Fee (per contract per side)	Exchange Fee	US\$1.00
	The amount indicated above is subject to change from time to time	

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable  
at the rate or of the amount prescribed from time to time pursuant  
to the Ordinance

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Taiwan 25/50 (USD) Index Futures</p>
--

The following Contract Specifications shall apply to the MSCI Taiwan 25/50 (USD) Index Futures Contract:

Underlying Index/Index	MSCI Taiwan 25/50 Index (the TWD index of that name compiled, computed and disseminated by MSCI Limited)
Trading Currency	U.S. dollars
Contract Multiplier	US\$50 per Index point
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Minimum Fluctuation	0.1 Index point
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an MSCI Taiwan 25/50 (USD) Index Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Multiplier
Position Limits	13,000 net contracts long or short across all Contract Months, per Exchange Participant for the Exchange Participant's own behalf; and  13,000 net contracts long or short across all Contract Months, per Client

For the avoidance of doubt, the prescribed limits are applied on a net basis across all Contract Months. For the purposes of determining whether the prescribed limit is reached, long contracts are assigned a positive value of 1 and short contracts are assigned a negative value of 1, regardless of their expiry date

Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and  500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period (Hong Kong time)	8:30 a.m. – 8:45 a.m.
Trading Hours (Hong Kong time)	8:45 a.m. – 1:45 p.m. (day trading session) 2:30 p.m. – 3:00 a.m. (after-hours trading session)  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:45 a.m. – 12:30 p.m.  There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States
Trading Hours on Last Trading Day (Hong Kong time)	8:45 a.m. – 1:45 p.m.  There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:45 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Final Settlement Day	The Business Day after the Final Settlement Price is determined
Settlement Method	Cash (U.S. dollar) settled contract for difference
Last Trading Day	The Business Day immediately preceding the last Business Day of the Contract Month. If the Last Trading Day falls on a Taiwan public holiday, the Last Trading Day will be the preceding Business Day which is also a business day in Taiwan
Final Settlement Price	The Final Settlement Price for MSCI Taiwan 25/50 (USD) Index Futures Contracts shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI Taiwan 25/50 Index compiled, computed and disseminated by MSCI Limited taken at (i) one (1) minute intervals during the last twenty five (25) minutes of trading on the Taiwan Stock Exchange Corporation before the end of the continuous trading session, and (ii) the closing index value on the Last Trading Day. The Chief Executive of the Exchange has the power under the Regulations

for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances

Trading Fee  
(per contract per side)

Exchange Fee US\$1.00

The amount indicated above is subject to change from time to time

Levies  
(per contract per side)

Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance

Commission Rate

Negotiable

<p>Contract Specifications For MSCI Taiwan (USD) Index Options</p>
--

The following Contract Specifications shall apply to the MSCI Taiwan (USD) Index Option Contract:

Underlying Index/Index	MSCI Taiwan Index (the TWD index of that name compiled, computed and disseminated by MSCI Limited)*
Trading Currency	U.S. dollars
Contract Multiplier	US\$100 per Index point*
Contract Months	Spot Month, the next calendar month and the next four calendar quarter months (i.e. quarterly months are March, June, September and December)
Trading Hours (Hong Kong time)	8:45 a.m. – 1:45 p.m.  There is no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:45 a.m. – 12:30 p.m.
Trading Hours on Expiry Day (Hong Kong time)	8:45 a.m. – 1:45 p.m.  There shall be no trading after 12:30 p.m. on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:45 a.m. – 12:30 p.m.
Trading Method	The Exchange's Automated Trading System (HKATS)
Expiry Day	The Business Day immediately preceding the last Business Day of the Contract Month. If the Expiry Day falls on a Taiwan public holiday, the Expiry Day will be the preceding Business Day which is also a business day in Taiwan
Option Premium	Option Premium is quoted in 0.1 Index points
Contracted Value	Option Premium multiplied by the Contract Multiplier
Strike Prices	Strike Prices shall be set as follows:

<u>MSCI Taiwan Index (Index points)</u>	<u>Intervals</u>
Below 200	1

At or above 200 but below 500	2
At or above 500 but below 1000	5
At or above 1000	10

On any Business Day, new consecutive Strike Prices may be set for, or added to, each Option Contract (other than the Spot Month Option Contract on or after the 5<sup>th</sup> Business Day preceding the Expiry Day) such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Business Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Business Day's Closing Quotation (as defined in the HKCC Rules) of (i) the Spot Month MSCI Taiwan (USD) Index Futures Contract for any day prior to the Expiry Day; and (ii) the next month MSCI Taiwan (USD) Index Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price

Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time

Exercise Style	European Style options which may only be exercised on Expiry Day
Settlement on Exercise	Cash settlement (U.S. dollars) of the Final Settlement Value
Final Settlement Day	The Business Day after the Official Settlement Price is determined
Official Settlement Price	The Official Settlement Price for MSCI Taiwan (USD) Index Options shall be a number, rounded up to the nearest 2 decimal places if the figure in the third decimal place is 5 or above and rounded down to the nearest 2 decimal places if it is below 5, determined by the Clearing House and shall be the average of quotations of the MSCI Taiwan Index compiled, computed and disseminated by MSCI Limited taken at (i) one (1) minute intervals during the last twenty five (25) minutes of trading on the Taiwan Stock Exchange Corporation before the end of the continuous trading session, and (ii) the closing index value on the Expiry Day. The Chief Executive of the Exchange has the



**TRADING PROCEDURES FOR STOCK INDEX FUTURES AND STOCK INDEX OPTIONS TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE (“HKATS”)**

**CHAPTER 5**

**EMERGENCY AND EXTRAORDINARY SITUATIONS**

5.1 *Typhoon Signals, Extreme Conditions and Black Rainstorm Warnings*

5.1.2 Unless otherwise decided by the Exchange, the trading arrangements of Stock Index Futures Contracts and Stock Index Option Contracts with no lunch break upon the approach and the retreat of typhoons, the announcement and cancellation of Extreme Conditions and/or the issuance and cancellation of black rainstorm warnings shall be as follows:

<b>(a) Trading arrangement for all trading days except the eves of Christmas, New Year and Lunar New Year where the Hong Kong Observatory has hoisted or lowered a Typhoon Signal No. 8 or above or where Extreme Conditions have been announced or cancelled</b>	
(i) For Stock Index Futures Contracts or Stock Index Option Contracts with trading hours starting at 8:45 a.m., 9:00 a.m. or 9:15 a.m., if a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced at any time prior to the commencement of the day trading session:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> <li>- Commencement of trading will take place <sup>(Note 1)</sup>:</li> <li>- for Stock Index Futures Contracts or Stock Index Option Contracts whose trading hours start at 8:45 a.m., at 8:45 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 6:45 a.m.;</li> <li>- for Stock Index Futures Contracts or Stock Index Option Contracts whose trading hours start at 8:45 a.m. and 9:00 a.m., at 9:00 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 7:00 a.m.;</li> <li>- at 9:15 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 7:15 a.m.;</li> <li>- at 9:30 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 7:30 a.m.;</li> <li>- at 10:00 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 8:00 a.m.;</li> <li>- at 10:30 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 8:30 a.m.;</li> </ul>

	<ul style="list-style-type: none"> <li>- at 11:00 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 9:00 a.m.;</li> <li>- at 11:30 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 9:30 a.m.;</li> <li>- at 12:00 noon if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 10:00 a.m.;</li> <li>- at 12:30 p.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 10:30 a.m.;</li> <li>- at 1:00 p.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 11:00 a.m.;</li> <li>- at 1:30 p.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 11:30 a.m.; or</li> <li>- at 2:00 p.m. (or from the commencement of the after-hours trading session if 2:00 p.m. is between the day trading session and the after-hours trading session) if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 12:00 noon.</li> </ul> <p>- There will be no trading for the day if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 12:00 noon.</p>
<p>(ii) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced at or between commencement of the day trading session and 12:00 noon:</p>	<p>The position will be as follows:</p> <ul style="list-style-type: none"> <li>- Trading will be terminated 15 minutes after the hoisting of the Signal or announcement of Extreme Conditions.</li> <li>- Trading will resume from 2:00 p.m. (or from the commencement of the after-hours trading session if 2:00 p.m. is between the day trading session and the after-hours trading session) if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 12:00 noon <sup>(Note 1)</sup>.</li> <li>- There will be no trading for the rest of the day if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 12:00 noon.</li> </ul>
<p>(iii) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced during the</p>	<p>The position will be as follows:</p> <ul style="list-style-type: none"> <li>- Trading will be terminated 15 minutes after the hoisting of the Signal or announcement of Extreme Conditions</li> </ul>

trading hours after 12:00 noon:	and there will be no trading for the rest of the day, except that if the Signal is hoisted or Extreme Conditions are announced at or after 3:45 p.m. but before 4:00 p.m., trading will be terminated at 4:15 p.m..
(iv) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced after the end of the day trading session but before the commencement of the after-hours trading session <sup>(Note 2)</sup> :	The position will be as follows:  - There will be no trading in the after-hours trading session.
(v) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced during the after-hours trading session <sup>(Note 2)</sup> :	The position will be as follows:  - Trading will be terminated 15 minutes after the hoisting of the Signal or announcement of Extreme Conditions and there will be no trading for the rest of the after-hours trading session, except that if the Signal is hoisted or Extreme Conditions are announced at or after 3:45 p.m. but before 4:00 p.m., trading will be terminated at 4:15 p.m..
<b>(aa) Trading arrangement for the eves of Christmas, New Year and Lunar New Year where the Hong Kong Observatory has hoisted or lowered a Typhoon Signal No. 8 or above or where Extreme Conditions have been announced or cancelled</b>	
(i) For Stock Index Futures Contracts or Stock Index Option Contracts with trading hours starting at 8:45 a.m., 9:00 a.m. or 9:15 a.m., if a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced at any time prior to the commencement of the day trading session:	The position will be as follows:  - Commencement of trading will take place <sup>(Note 1)</sup> :  - for Stock Index Futures Contracts or Stock Index Option Contracts whose trading hours start at 8:45 a.m., at 8:45 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 6:45 a.m.;  - for Stock Index Futures Contracts or Stock Index Option Contracts whose trading hours start at 8:45 a.m. and 9:00 a.m., at 9:00 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 7:00 a.m.;  - at 9:15 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 7:15 a.m.;  - at 9:30 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 7:30 a.m.;

	<ul style="list-style-type: none"> <li>- at 10:00 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 8:00 a.m.; or</li> <li>- at 10:30 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 8:30 a.m.; or</li> <li>- at 11:00 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 9:00 a.m..</li> <li>- There will be no trading for the day if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 9:00 a.m..</li> </ul>
<p>(ii) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced at or between commencement of the day trading session and 12:30 p.m.:</p>	<p>The position will be as follows:</p> <ul style="list-style-type: none"> <li>- Trading will be terminated 15 minutes after the hoisting of the Signal or announcement of Extreme Conditions and there will be no trading for the rest of the day, except that if the Signal is hoisted or Extreme Conditions are announced at or after 11:45 a.m. but before 12:00 noon, trading will be terminated at 12:15 p.m..</li> </ul>

Note 1: In the event the Pre-Market Opening Period applies to any Stock Index Futures Contract, the Pre-Market Opening Period for that Stock Index Futures Contract will commence at such time before the indicated time of resumption of trading as shall represent the duration of the Pre-Market Opening Period

Note 2: Applicable only to the trading of Stock Index Futures Contracts and Stock Index Option Contracts with after-hours trading session

<b>(b) Trading arrangement for all trading days where the Hong Kong Observatory has issued or cancelled a Black Rainstorm Warning</b>	
<p>(i) For Stock Index Futures Contracts or Stock Index Option Contracts with trading hours starting at 8:45 a.m., 9:00 a.m. or 9:15 a.m., if a Black Rainstorm Warning is issued at any time prior to 8:45 a.m.:</p>	<p>The position will be as follows:</p> <ul style="list-style-type: none"> <li>- Commencement of trading will take place <sup>(Note 1)</sup>:</li> <li>- for Stock Index Futures Contracts or Stock Index Option Contracts whose trading hours start at 8:45 a.m., at 8:45 a.m. if the Warning is cancelled at or before 6:45 a.m.;</li> <li>- for Stock Index Futures Contracts or Stock Index Option Contracts whose trading hours start at 8:45 a.m. and 9:00 a.m., at 9:00 a.m. if the Warning is cancelled at or before 7:00 a.m.;</li> <li>- at 9:15 a.m. if the Warning is cancelled at or before 7:15 a.m.;</li> <li>- at 9:30 a.m. if the Warning is cancelled at or before 7:30 a.m.;</li> <li>- at 10:00 a.m. if the Warning is cancelled at or before 8:00 a.m.;</li> <li>- at 10:30 a.m. if the Warning is cancelled at or before 8:30 a.m.;</li> <li>- at 11:00 a.m. if the Warning is cancelled at or before 9:00 a.m.;</li> <li>- at 11:30 a.m. if the Warning is cancelled at or before 9:30 a.m.;</li> <li>- at 12:00 noon if the Warning is cancelled at or before 10:00 a.m.;</li> <li>- at 12:30 p.m. if the Warning is cancelled at or before 10:30 a.m.;</li> <li>- at 1:00 p.m. if the Warning is cancelled at or before 11:00 a.m.;</li> <li>- at 1:30 p.m. if the Warning is cancelled at or before 11:30 a.m.; or</li> <li>- at 2:00 p.m. (or from the commencement of the after-hours trading session if 2:00 p.m. is between the day trading session and the after-hours trading session) if the Warning is cancelled at or before 12:00 noon.</li> <li>- There will be no trading for the day if the Warning is cancelled after 12:00 noon.</li> </ul>

(ii) If a Black Rainstorm Warning is issued at or after 8:45 a.m. and before 9:15 a.m.,	The position will be as follows:  - Commencement of trading will take place <sup>(Note 1)</sup> :  - for Stock Index Futures Contracts or Stock Index Option Contracts whose trading hours start at 9:00 a.m., at 9:00 a.m.;  - for Stock Index Futures Contracts or Stock Index Option Contracts whose trading hours start at 9:15 a.m., at 9:15 a.m..
(iii) If a Black Rainstorm Warning is issued during the day trading session:	Trading will continue as normal.
(iv) If a Black Rainstorm Warning is issued after the end of the day trading session but before the commencement of the after-hours trading session <sup>(Note 2)</sup> :	The position will be as follows:  - If there was trading in the day trading session for Stock Index Futures Contracts and Stock Index Option Contracts closing at or after 4:30 p.m., trading of all Stock Index Futures Contracts and Stock Index Option Contracts <sup>(Note 3)</sup> in the after-hours trading session will take place.  - If there was no trading in the day trading session for Stock Index Futures Contracts and Stock Index Option Contracts closing at or after 4:30 p.m., there will be no trading in the after-hours trading session for all Stock Index Futures Contracts and Stock Index Option Contracts <sup>(Note 3)</sup> .
(v) If a Black Rainstorm Warning is issued during the after-hours trading session <sup>(Note 2)</sup> :	The position will be as follows:  - Trading will continue as normal until the end of the after-hours trading session.

Note 1: In the event the Pre-Market Opening Period applies to any Stock Index Futures Contract, the Pre-Market Opening Period for that Stock Index Futures Contract will commence at such time before the indicated time of resumption of trading as shall represent the duration of the Pre-Market Opening Period

Note 2: Applicable only to the trading of Stock Index Futures Contracts and Stock Index Option Contracts with after-hours trading session

Note 3: Applicable only to those Stock Index Futures Contracts and Stock Index Option Contracts with no lunch breaks and with after-hours trading session