

Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited

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

CHAPTER 3

MARKET MAKERS IN CURRENCY FUTURES CONTRACTS

3.2 Market Making Requirements of a Market Maker

In order for a Market Maker to be entitled to Market Maker Incentives (for itself if applicable and for each of its market making arrangements under the relevant Market Maker permit if any), the Market Maker (itself if applicable) and each such market making arrangement shall separately be required to satisfy the market making requirements set forth in this procedure 3.2. References to “Market Maker”, “Primary Market Maker” or “Secondary Market Maker” in procedures 3.2, 3.3 and 3.4 shall accordingly be construed to mean “Market Maker, Primary Market Maker or Secondary Market Maker (itself if applicable) and each of its market making arrangements under the relevant Market Maker permit” or, where the context requires otherwise, any of them.

3.2.1 Market Making Requirements of a Primary Market Maker in a Currency Futures Contract

3.2.1.1 Each Primary Market Maker shall, during one or both of the following periods as specified in its appointment letter: (i) from 9:00 a.m. to the end of the day trading session, and/or (ii) the after-hours trading session, in respect of each Currency Futures Contract for which it is appointed a Primary Market Maker:

3.2.1.1.2 quote the assigned contract months with a bid/offer spread of not greater than the number of Minimum Fluctuations and for a size of not fewer than the number of contracts applicable to its market making hours set forth below:

For the period from 9:00 a.m. to the end of the day trading session:

Currency Futures Contract	Contract Month	Maximum Bid/Offer Spread (Minimum Fluctuations)	Minimum Quote Size (Contracts)
USD/CNH	3rd calendar and 4th calendar	50	10
USD/CNH	1st , 2nd , 3rd , and 4th calendar quarter	80	10
USD/CNH	5th calendar quarter	100	10

CNH/USD	3rd calendar and 4 th calendar	10	10
CNH/USD	Other months 1 st , 2 nd , 3 rd , 4 th and 5 th calendar quarter	15	10

For the after-hours trading session:

Currency Futures Contract	Contract Month	Maximum Bid/Offer Spread (Minimum Fluctuations)	Minimum Quote Size (Contracts)
USD/CNH	3rd calendar and 4 th calendar	60	10
USD/CNH	1st, 2nd, 3rd, 4th and 5th calendar quarter	100	10
CNH/USD	3rd calendar and 4 th calendar	10	10
CNH/USD	Other months 1 st , 2 nd , 3 rd , 4 th and 5 th calendar quarter	15	10

3.2.2 Market Making Requirements of a Secondary Market Maker in a Currency Futures Contract

3.2.2.2 Responding to Quote Requests

If a Secondary Market Maker in a Currency Futures Contract elects to respond to Quote Requests, it shall, during one or both of the following periods as specified in its appointment letter: (i) from 9:00 a.m. to the end of the day trading session, and/or (ii) the after-hours trading session:

3.2.2.2.3 respond to a Quote Request on an assigned contract month in the Currency Futures Contract with a Quote for a bid/offer spread of not greater than the number of Minimum Fluctuations and for a size of not less than the number of contracts set forth below, unless otherwise specified by the Chief Executive from time to time:

Currency Futures Contract	Contract Month	Maximum Bid/Offer Spread (Minimum Fluctuations)	Minimum Quote Size (Contracts)
CNH/USD	Other months <u>1st, 2nd, 3rd, 4th and 5th</u> calendar quarter	15	10

3.2.2.3 Providing Continuous Quotes

If a Secondary Market Maker in a Currency Futures Contract elects to provide continuous Quotes, it shall:

- 3.2.2.3.2 quote the assigned contract months in the Currency Futures Contract with a bid/offer spread of not greater than the number of Minimum Fluctuations and for a size of not fewer than the number of contracts applicable to its market making hours set forth below:

For the period from 9:00 a.m. to the end of the day trading session:

Currency Futures Contract	Contract Month	Maximum Bid/Offer Spread (Minimum Fluctuations)	Minimum Quote Size (Contracts)
CNH/USD	Other months <u>1st, 2nd, 3rd, 4th and 5th</u> calendar quarter	15	10

For the after-hours trading session:

Currency Futures Contract	Contract Month	Maximum Bid/Offer Spread (Minimum Fluctuations)	Minimum Quote Size (Contracts)
CNH/USD	Other months <u>1st, 2nd, 3rd, 4th and 5th</u> calendar quarter	15	10

**Contract Specifications
For
Renminbi (Hong Kong) vs US Dollar (“CNH/USD”) Futures**

The following Contract Specifications shall apply to the CNH/USD Futures Contract:

Contract Size	RMB300,000
Contract Months	Spot month, the next three calendar months and the next four <u>six</u> calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	USD per 10 RMB (e.g. USD 1.5288 per 10 RMB)

Contract Specifications
For
US Dollar vs Renminbi (Hong Kong) (“USD/CNH”) Options

The following Contract Specifications shall apply to the USD/CNH Option Contract:

Contract Size	USD100,000
Contract Months	Spot month, the next three calendar months and the next four <u>six</u> calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per USD