

Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited

CHAPTER I

INTERPRETATION ADMINISTRATION
AND AMENDMENT OF THE RULES

Definitions and Interpretation

101. In these Rules, unless the context otherwise requires, the following expressions shall bear the following meanings:-

"Exchange Participant" means a person who, in accordance with these Rules, may trade on or through the Exchange and whose name is entered in a list, register or roll kept by the Exchange as a person who may trade on or through the Exchange, and "Exchange Participantship" shall be construed accordingly;

"Exchange Participant Admission Appeals Committee" means a committee convened to review decisions of the Board in respect of application for Exchange Participantship in accordance with the Exchange Participant Admission Appeals Procedures as prescribed by the Exchange from time to time;

"executing agent" means a broker or dealer (whether or not an Exchange Participant) appointed by an Exchange Participant to transact F.O. Business on behalf of that Exchange Participant;

CHAPTER III

EXCHANGE PARTICIPANTSHIP AND
FUTURES EXCHANGE TRADING RIGHTS

General

301. Subject to these Rules and the Regulations, an Exchange Participant of the Exchange is entitled, by virtue of its Exchange Participantship, to trade on or through the facilities of the Exchange and to enjoy the other rights and benefits from time to time made available to Exchange Participants by the Exchange, in exchange for acceptance and discharge of the obligations and liabilities from time to time attaching to its Exchange Participantship.

302. The Board shall have power to establish categories of Exchange Participantship and to attach different rights, benefits, obligations and liabilities to each category established.

Application for Exchange Participantship

303. (a) Exchange Participants must ordinarily be companies.
- (b) Every new applicant for Exchange Participantship shall complete, sign and deliver to the Exchange an application in writing in such form as the Board may from time to time prescribe.
- (c) Every applicant must specify in its application the category of Exchange Participantship under which it seeks to be registered. No company which applies for Exchange Participantship as a Trader may be admitted to that category of Exchange Participantship unless ownership of its share and loan capital, and its management and control, are effectively vested in one individual.
- (d) In applying for Exchange Participantship or in applying to change the category of Exchange Participantship under which it is registered, every person shall follow the procedures from time to time prescribed by the Board.
304. (a) The Board shall decide on each application.
- (b) The decision as to whether or not an applicant should be admitted as an Exchange Participant is entirely in the discretion of the Board ~~whose decision shall be final and conclusive.~~

Approval or Refusal

305. (a) Every applicant shall be informed by notice in writing within 7 days after the relevant decision as to whether its application is approved or refused.
- (b) A copy of every notice of approval shall be sent to the Clearing House and the Commission.
- (c) Any notice of approval issued pursuant to this Rule may be subject to such conditions as the Board thinks fit.
- (d) If the Board refuses an application to be an Exchange Participant, the applicant may, within 14 bank business days after it is notified of the Board's decision, appeal in writing to the Exchange Participant Admission Appeals Committee whose decision will be final.