

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

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

3.2.2A.3 Providing Continuous Quotes during the T+1 Session

If a Regular Market Maker in a Stock Index Options Contract for the T+1 Session elects to provide continuous Quotes, it shall:

3.2.2A.3.1 quote at least (i) in respect of a Stock Index Options Contract which is not a Mini Contract, 50 option series out of the assigned option series in the Stock Index Options Contract during not less than thirty five (35) percent of the trading hours of such Stock Index Options Contract in the T+1 Session of each calendar month; and (ii) in respect of a Stock Index Options Contract which is a Mini Contract, at least 25 option series out of the assigned option series in the Stock Index Options Contract during not less than thirty five (35) percent of the trading hours of such Stock Index Options Contract in the T+1 Session of each calendar month;

3.3 *Market Maker Incentives*

A Market Maker in a Stock Index Futures Contract or a Stock Index Options Contract (other than a Regular Market Maker in a Stock Index Options Contract for the T+1 Session) shall be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in the Stock Index Futures Contract or the Stock Index Options Contract.

A Regular Market Maker in a Stock Index Options Contract for the T+1 Session shall be entitled to pay a reduced Exchange Fee of an amount as prescribed by the Exchange from time to time on transactions effected in Stock Index Options Contracts during the T+1 Session if it satisfies the market making requirements applicable to the corresponding incentive tier:

Incentive tier	If the Regular Market Maker elects to respond to a Quote Requests and fulfills the following Quote Requests response percentage:	If the Regular Market Maker elects to provide continuous Quotes and fulfills the following percentage of trading hours coverage for the assigned option series below in the Stock Index Options Contract:			
		For a Stock Index Options Contract which is not a Mini Contract:		For a Stock Index Options Contract which is a Mini Contract:	
		Percentage of trading hours coverage	Assigned option series	Percentage of trading hours coverage	Assigned option series
1	70%	70%	50	70%	25
2	50%	50%	50	50%	25
3	35%	35%	50	35%	25