

**TRADING PROCEDURES FOR ONE-MONTH AND THREE-MONTH HONG KONG INTERBANK OFFERED RATE FUTURES (“HIBOR FUTURES”) TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE (“HKATS”)**

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These procedures shall be read in conjunction with and shall form part of the Exchange Rules. Unless otherwise indicated, the terms used herein shall have the same meanings as contained in the Exchange Rules and/or the Clearing House Rules.

## **CHAPTER 1**

### **TRADING**

#### *1.1 Method of Trading*

Trading in One-Month and Three-Month Hong Kong Interbank Offered Rate Futures (“HIBOR Futures”) Contracts shall be conducted exclusively through the Automated Trading System of the Exchange (“HKATS”) in accordance with the Exchange Rules, the Clearing House Rules, applicable Regulations, Contract Specifications and Procedures, the Clearing House Procedures and the HKATS User’s Guide.

#### *1.2 Special Trading Session*

From time to time, the Chief Executive may authorize a Special Trading Session to coincide with potentially significant market events. Such events may include, but, shall not be limited to, an announcement of an interest rate sensitive decision made during a meeting of the Federal Open Market Committee Meeting or the release of new information concerning an interest rate sensitive economic indicator in Hong Kong or United States of America.

Notification of an authorized Special Trading Session shall be given to Exchange Participants and the Commission not less than three (3) Trading Days prior to the authorized Special Trading Session.

## **CHAPTER 2**

### **ELIGIBILITY TO TRADE HIBOR FUTURES CONTRACTS**

#### **2.1**     *HIBOR Futures Trading Privileges*

An Exchange Participant must be approved by and registered with the Exchange to trade through HKATS.

An Exchange Participant must be approved by the Exchange to trade HIBOR Futures Contracts through HKATS.

#### **2.2**     (deleted)

## CHAPTER 3

### MARKET MAKERS IN HIBOR FUTURES CONTRACTS

#### 3.1 *Application for a Market Maker Permit*

An Exchange Participant's application for a Market Maker permit in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract shall be made in writing to the Exchange.

Upon granting a Market Maker permit in the One-Month HIBOR Futures Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with not less than the first three (3) contract months in the One-Month HIBOR Futures Contract.

Upon granting a Market Maker permit in the Three-Month HIBOR Futures Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with the spot contract month plus not less than the first four (4) quarter contract months in the Three-Month HIBOR Futures Contract.

The Exchange may, at the absolute discretion of the Chief Executive, revoke a Market Maker permit in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract or any market making arrangement or other approval granted thereunder if it does not meet the market making requirements set forth in procedures 3.2.1 and/or 3.2.2 for two (2) consecutive calendar months.

#### 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 by responding to Quote Requests or providing Continuous Quotes during the Business Days of each calendar month. References to "Market Maker" in procedures 3.2 and 3.3 shall accordingly be construed to mean "Market Maker (itself if applicable) and each of its market making arrangement under the relevant Market Maker permit" or, where the context requires otherwise, any of them.

##### 3.2.1 Market Making Requirements of a Market Maker in the One-Month HIBOR Futures Contract

###### 3.2.1.1 A Market Maker in the One-Month HIBOR Futures Contract

must either respond to Quote Requests or provide continuous Quotes. The Exchange Participant shall notify the Exchange of the Market Maker's election(s).

#### 3.2.1.2 Responding to Quote Requests

If a Market Maker in the One-Month HIBOR Futures Contracts elects to respond to Quote Requests, it shall, on Trading Days:

3.2.1.2.1 respond to not less than seventy (70) percent of the Quote Requests on the assigned contract months in the One-Month HIBOR Futures Contracts in each calendar month;

3.2.1.2.2 respond to a Quote Request on an assigned contract month in the One-Month HIBOR Futures Contract within thirty (30) seconds of the Quote Request's display on HKATS;

3.2.1.2.3 respond to a Quote Request on an assigned contract month in the One-Month HIBOR Futures Contract with a Quote for a bid/offer spread not greater than seven (7) Minimum Fluctuations and for a size of not less than ten (10) contracts; and

3.2.1.2.4 display on HKATS a Quote made in response to a Quote Request on an assigned contract month in the One-Month HIBOR Futures Contract for not less than fifteen (15) seconds.

#### 3.2.1.3 Providing Continuous Quotes

If a Market Maker in the One-Month HIBOR Futures Contract elects to provide continuous Quotes, it shall, on Trading Days:

3.2.1.3.1 quote the assigned contract months in the One-Month HIBOR Futures Contract not less than seventy (70) percent of the trading hours for the One-Month HIBOR Futures Contract in each calendar month;

3.2.1.3.2 quote the assigned contract months in the One-Month HIBOR Futures Contract with a bid/offer spread of not greater than ten (10) Minimum Fluctuations and for a size of not less than five (5) contracts; and

3.2.1.3.3 display on HKATS all Quotes made in the assigned contract months in the One-Month HIBOR Futures Contract for not less than fifteen (15) seconds.

3.2.1.4 A Market Maker shall not be required to meet the market making requirements set forth in procedure 3.2.1 during the first five (5) minutes of each morning trading session.

### 3.2.2 Market Making Requirements of a Market Maker in the Three-Month HIBOR Futures Contract

3.2.2.1 A Market Maker in the Three-Month HIBOR Futures Contract must either respond to Quote Requests or provide continuous Quotes. The Exchange Participant shall notify the Exchange of the Market Maker's election(s)

#### 3.2.2.2 Responding to Quote Requests

If a Market Maker in the Three-Month HIBOR Futures Contract elects to respond to Quote Requests, it shall, on Trading Days:

3.2.2.2.1 respond to not less than seventy (70) percent of the Quote Requests on the assigned contract months in the Three-Month HIBOR Futures Contract in each calendar month;

3.2.2.2.2 respond to a Quote Request on an assigned contract month in the Three-Month HIBOR Futures Contract within thirty (30) seconds of the Quote Request's display on HKATS;

3.2.2.2.3 respond to a Quote Request on an assigned contract month in the Three-Month HIBOR Futures Contract with a Quote with a bid/offer spread of not greater than seven (7) Minimum Fluctuations and for a size of not less than ten (10) contracts; and

3.2.2.2.4 display on HKATS a Quote made in response to a Quote Request on an assigned contract month in the Three-Month HIBOR Futures Contract for not less than fifteen (15) seconds.

#### 3.2.2.3 Providing Continuous Quotes

If a Market Maker in the Three-Month HIBOR Futures

Contract elects to provide continuous Quotes, it shall, on Trading Days:

3.2.2.3.1 quote the assigned contract months in the Three-Month HIBOR Futures Contract for not less than seventy (70) percent of the trading hours of Three-Month HIBOR Futures Contracts in each calendar month;

3.2.2.3.2 quote the assigned contract months in the Three-Month HIBOR Futures Contract with a bid/offer spread of not greater than ten (10) Minimum Fluctuations and for a size of not less than five (5) contracts; and

3.2.2.3.3 display on HKATS all Quotes made on the assigned contract months in the Three-Month HIBOR Futures Contract for not less than fifteen (15) seconds.

3.2.2.4 A Market Maker shall not be required to meet the market making requirements set forth in 3.2.2 during the first five (5) minutes of each morning trading session.

3.2.3 A Market Maker in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract shall not be required to meet the market making requirements set forth in procedures 3.2.1 and/or 3.2.2 from 11:30 a.m. to 12:00 noon and from 1:30 p.m. to 2:00 p.m. on each Trading Day.

### 3.3 *Market Making Requirements During Unusual Market Conditions*

During Unusual Market Conditions, the Chief Executive may, in his discretion, temporarily suspend or modify some or all of the market making requirements of a Market Maker.

### 3.4 *Market Making Requirements During a Special Trading Session*

During a Special Trading Session a Market Maker in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract shall:

3.4.1 not be required to quote in the assigned contract months within the prescribed bid/offer maximum and/or contract size minimum;

3.4.2 not be required to respond to a Quote Request in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract, as the case may be, with a Quote of the prescribed bid/offer



spread maximum and/or the contract size minimum; and

- 3.4.3 respond to not less than seventy (70) percent of the Quote Requests in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract, as the case may be, in all contract months within thirty (30) seconds of the Quote Request's display on HKATS.

3.5 *Market Maker Incentives*

A Market Maker in the One-Month HIBOR Futures Contract or the Three-Month HIBOR Futures Contract shall be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in the One-Month HIBOR Futures Contract or the Three-Month HIBOR Futures Contract.

Unless otherwise determined by the Chief Executive, a Market Maker shall be entitled to the above Market Maker Incentives only if it satisfies the market making requirements set forth in procedures 3.2.1 and 3.2.2. Without prejudice to any powers or rights of the Exchange or the Chief Executive, if a Market Maker in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract does not meet the prescribed market making requirements for a calendar month, the Exchange reserves the right to charge, at the absolute discretion of the Chief Executive, such Market Maker Exchange Fees at the full rate as specified in the respective Contract Specifications for all transactions effected in that calendar month for all products in respect of which reduced Exchange Fees have been provided for in this procedure.

3.6 *Market Maker may not Trade for Client*

A Market Maker in the One-Month HIBOR Futures Contract and/or the Three-Month HIBOR Futures Contract shall not in its capacity as such accept an Order or execute a transaction for any Client and shall ensure that each of its market making arrangements will not execute any transaction for an account other than its own account.

3.7 *Separate Market Maker Accounts for Market Making Arrangements*

Trades arising from market making activities in relation to each of the Market Maker's market making arrangements will be recorded in separate market maker accounts.

## CHAPTER 4

### DEALING FUNCTIONALITY

#### 4.1 *Order Entry*

An Order in a HIBOR Futures Contract may be entered into HKATS only during the trading hours and, where applicable, the pre-opening session (in respect of Limit Orders and Auction Orders) and the pre-open allocation session (in respect of Auction Orders only) of the Pre-Market Opening Period for the HIBOR Futures Contract.

#### 4.2 *Automatic Cancellation of an Order due to Suspension of Trading or Site Failure*

An Order resident on the Central Orderbook for a HIBOR Futures Contract will be canceled upon the suspension of trading in that HIBOR Futures Contract.

Notification of a suspension of trading in a HIBOR Futures Contract will be made on the HKATS Market Message display window.

Notification of the resumption of trading in a suspended HIBOR Futures Contract will be made on the HKATS Market Message display window not less than ten (10) minutes, or such shorter period as the Chief Executive may determine, prior to the resumption of trading in that HIBOR Futures Contract.

An Order automatically canceled due to the suspension of trading in a HIBOR Futures Contract may be re-entered into HKATS upon the resumption of trading in that HIBOR Futures Contract.

In the event of a system failure at an Exchange Participant's site, the Exchange Participant shall contact the Exchange at the HKATS hotline listed in the HKATS User's Guide and advise the Exchange if it wishes to have all its outstanding Orders canceled or remain activated. An Order of an Exchange Participant resident on the Central Orderbook will be inactivated 10 minutes after the occurrence of a system failure at the Exchange Participant's site unless the Exchange Participant has requested the Exchange to keep the Order activated within 10 minutes of the site failure. The Exchange shall not be liable to an Exchange Participant for canceling or keeping activated any Order of the Exchange Participant at its instructions or purported instructions.

An Exchange Participant affected by a system failure at its site may arrange with other Exchange Participants to handle new Orders and subsequently reallocate resulting trades to the corresponding accounts through external allocation according to the Clearing House Rules.

#### 4.3 *Order Amendments and Cancellations*

An Order in a HIBOR Futures Contract entered into the Central Orderbook on behalf of a Client or the Exchange Participant and designated a particular Order number may be amended or canceled provided that the amendment or cancellation is made in compliance with the instructions of that Client or the Exchange Participant, as the case may be, in respect of that particular Order.

Exchange Participants may amend, cancel or inactivate Orders resident in the Central Orderbook (“Valid Orders”) only during trading hours and the period of 30 minutes before the opening of each trading session if the Pre-Market Opening Period is not applicable or the pre-opening session of the Pre-Market Opening Period if the Pre-Market Opening Period applies.

A Valid Order that is amended in connection with a reduction in size, a change in the duration of validity, or modification of optional (“free”) text information shall not affect the time priority of the original Valid Order.

A Valid Order that is amended in connection with price or an increase in size: (i) will result in the loss of time priority of the original Valid Order if the amendment is made during trading hours; and (ii) will result in the loss of time priority of the original Valid Order if the amendment is made during the Pre-Market Opening Period (where the Pre-Market Opening Period is applicable). Amendment in connection with price or an increase in size of a Valid Order is not allowed during the 30 minute period before the opening of a trading session (where the Pre-Market Opening Period is not applicable).

#### 4.4 (deleted)

#### 4.5 *Execution of Standard Combinations*

4.5.1 In the event an Order for a spread or strategy combination listed in the “Series/Combinations” window of HKATS (“standard combination”) involving HIBOR Futures Contracts is entered into HKATS, HKATS will automatically generate derived Orders (“Bait Orders”) based on the prevailing market price of each individual market series comprising the standard combination and the price of the Order for the standard combination. Prices of these Bait Orders will be automatically adjusted according to price movement in the individual market series comprising the standard combination.

4.5.2 The ranking of Bait Orders shall be in accordance with the time the Bait Orders are generated. A Bait Order whose price is automatically adjusted according to the price movement and/or increase in quantity of the individual market series comprising the standard combination shall be treated as if the Bait Order were newly generated.

4.5.3 In the event an Order for a standard combination is executed separately as Bait Orders in the individual market series, each HIBOR Futures Contract comprising the standard combination will be matched at the prevailing market price of the individual market series. Any matched Contracts will be recorded in HKATS as separate trades in the individual market series.

4.5.4 In the event an Order for a standard combination is executed in the standard combination market and not as Bait Orders in the individual market series, the executed price of the standard combination may not necessarily correspond with the prevailing market prices of the HIBOR Futures Contracts comprising the standard combination. The matched standard combination will be recorded in HKATS as separate trades in the individual market series.

4.5.5 (deleted)

#### 4.5A *Execution of HIBOR Strips*

4.5A.1 Notwithstanding the provisions of procedure 4.5, an Order for a standard combination involving consecutive monthly or quarterly series of a HIBOR Futures Contract listed in the "Series/Combinations" window of HKATS ("HIBOR strip") may only be executed in the standard combination market. No Bait Orders will be generated by HKATS.

4.5A.2 The matched HIBOR strip will be recorded in HKATS as a trade in the standard combination market, but will be registered by the Clearing House as separate trades in the individual market series, each with an executed price being the executed price of the HIBOR strip.

4.5A.3 (deleted)

4.6 (deleted)

4.7 (deleted)

#### 4.8 *Pre-Market Opening*

4.8.1 The pre-market opening algorithm of HKATS shall apply to such HIBOR Futures Contract(s) as the Exchange may from time to time notify to Exchange Participants.

4.8.2 The Pre-Market Opening Period shall comprise (i) the pre-opening session; (ii) the pre-open allocation session; and (iii) the open allocation session, the duration of which may be changed by the

Exchange and notified to Exchange Participants from time to time at its discretion.

- 4.8.3 During the pre-opening session, Limit Orders and Auction Orders may be entered into HKATS and may be amended or canceled subject to the provisions of procedure 4.3. During the pre-open allocation session, only Auction Orders may be entered into HKATS. No Orders may be amended or canceled during the pre-open allocation session. During the open allocation session, no Orders may be entered into HKATS and no Orders may be amended or canceled. The Calculated Opening Price (COP), if any, will be calculated, and Orders will be matched subject to Rule 1215 or converted into Limit Orders or inactive Orders in accordance with the procedures set forth below during the open allocation session.
- 4.8.4 A COP will be calculated only if the highest bid price of the Limit Orders entered into HKATS is greater than or equal to the lowest ask price of the Limit Orders. If more than one price satisfies this criterion, the COP shall be calculated according to the following rules:
  - 4.8.4.1 The COP shall be one of the bid or offer prices falling at or within the highest bid price and the lowest ask price of the Limit Orders;
  - 4.8.4.2 The COP shall be the price at which the number of contracts matched would be maximized;
  - 4.8.4.3 If more than one price satisfies the rule in procedure 4.8.4.2, the COP shall be the price at which the normal order imbalance is the lowest. For the purposes of this procedure, normal order imbalance is defined as the difference between the number of bid contracts and the number of ask contracts that can be matched at a certain price;
  - 4.8.4.4 If more than one price satisfies the rule in procedure 4.8.4.3, the COP shall be the price at which (i) the aggregate number of contracts comprising the bid Auction Orders and bid Limit Orders at or above that price or (ii) the aggregate number of contracts comprising the ask Auction Orders and ask Limit Orders at or below that price would be the highest;
  - 4.8.4.5 If more than one price satisfies the rule in procedure 4.8.4.4, (i) the COP in the case of the morning trading session shall be the price closest to the previous Closing Quotation (as defined in the Clearing House Rules) of the relevant HIBOR Futures Contract and (ii) the COP in the case of the afternoon trading session shall be the price closest to the

last traded price if the relevant HIBOR Futures Contract was traded in the immediately preceding morning trading session or if there was no trading in the immediately preceding morning trading session, the rule in this procedure 4.8.4.5 shall be disregarded and the calculation of the COP shall proceed in accordance with the rule set forth in procedure 4.8.4.6;

- 4.8.4.6 If more than one price satisfies the rule in procedure 4.8.4.5, the COP shall be the highest of such prices.
- 4.8.5 If a COP is calculated, Auction Orders and Limit Orders with ask prices at or below, or bid prices at or above, such determined COP shall be matched at the COP to the extent possible and any unmatched Auction Order shall be converted into a Limit Order with a bid or ask price equal to the COP immediately before Market open. The ranking of such converted Auction Orders and Limit Orders at the COP shall be in accordance with the time the converted Auction Orders and Limit Orders were originally entered into HKATS.
- 4.8.6 If no COP can be calculated according to procedure 4.8.4 but bid and ask prices exist, all bid Auction Orders will be converted immediately before Market open into bid Limit Orders at the highest bid price and all ask Auction Orders will be converted immediately before Market open into ask Limit Orders at the lowest ask price of the Limit Orders entered into HKATS. The ranking of such converted Auction Orders and Limit Orders with the highest bid price or lowest ask price, as the case may be, shall be in accordance with the time the Auction Orders and Limit Orders were originally entered into HKATS.
- 4.8.7 If no COP can be calculated according to procedure 4.8.4 and no bid price or ask price exists, all bid Auction Orders (if no bid price exists) and all ask Auction Orders (if no ask price exists) will be converted into inactive Orders immediately before Market open.
- 4.8.8 The conduct of the Pre-Market Opening Period shall be under the surveillance of designated HKATS Officials. A designated HKATS Official may cancel any Order entered into HKATS during the Pre-Market Opening Period which in his opinion is a manifest error and which would disproportionately affect the Calculated Opening Price.

#### 4.9 *Creation, Execution and Deletion of Tailor-Made Combinations*

- 4.9.1 Exchange Participants can define and create a Tailor-Made Combination involving such HIBOR Futures Contracts and during such trading sessions as the Exchange may from time to time notify Exchange Participants using the tailor-made combination function of

HKATS. Once created, a Tailor-Made Combination can be traded like a normal market series.

4.9.2 Exchange Participants shall ensure that the following criteria are satisfied when creating a Tailor-Made Combination:

- the Tailor-Made Combination is one of the strategy combinations prescribed by the Exchange;
- the number of futures contract month (“legs”) comprising the strategy is within the range prescribed by the Exchange;
- the ratio between these legs is within the range prescribed by the Exchange;
- the contract sizes of these legs must be identical;
- the Tailor-Made Combination is not at that time prescribed as a standard combination; and
- an active Order is submitted at the same time as the creation of the Tailor-Made Combination.

4.9.3 Tailor-Made Combinations created on a Trading Day will not be carried forward to the next Trading Day.

4.9.4 The executed price of a trade in a Tailor-Made Combination may not necessarily correspond with the prevailing market prices of the HIBOR Futures Contracts comprising the Tailor-Made Combination. The matched trade in the Tailor-Made Combination will be recorded in HKATS as separate trades in the individual market series.

4.9.5 The Exchange may from time to time prescribe a maximum number of Tailor-Made Combinations that can be listed on HKATS on a Trading Day and a throughput rate for each HKATS connection to create Tailor-Made Combinations to protect the integrity of HKATS and to ensure the proper operation of the Markets.

4.9.6 The Exchange may at any time at its sole discretion limit the number of Tailor-Made Combinations an Exchange Participant may create on a Trading Day by notice to the Exchange Participant.

4.9.7 The Exchange reserves the right to delete any Tailor-Made Combination listed on HKATS and cancel any Order for that Tailor-Made Combination at any time if:

- (i) the Tailor-Made Combination does not satisfy the criteria as prescribed in procedure 4.9.2;
- (ii) there is no active Order for the Tailor-Made Combination;
- (iii) the total number of Tailor-Made Combinations listed on HKATS exceeds the maximum number prescribed and notified to Exchange Participants by the Exchange from time to time;
- (iv) the Tailor-Made Combination is created by an Exchange Participant which has exceeded the limit imposed on it under procedure 4.9.6; or
- (v) the Exchange determines that the Tailor-Made Combination is inappropriate.

4.9.8 Any trade in a Tailor-Made Combination that is not created in accordance with the criteria as prescribed in procedure 4.9.2 will not be considered as a valid trade by the Exchange and, notwithstanding any provisions of the Exchange Rules or the Clearing House Rules, will not be registered or cleared by the Clearing House. In the event that an Exchange Participant has been notified by the Exchange that a Tailor-Made Combination trade is invalid on the Trading Day during which the Tailor-Made Combination trade is executed, the Exchange in conjunction with the Clearing House will, without being required to give further notice to the Exchange Participant, delete the invalid Tailor-Made Combination trade from HKATS and the “deal file” of the clearing system as if the Tailor-Made Combination trade had never been executed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange or the Clearing House directly or indirectly in connection with the deletion of any invalid Tailor-Made Combination trade.



## CHAPTER 5

### CONTINGENCY PROCEDURES

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

Unless otherwise decided by the Exchange, the trading arrangements upon the approach and the retreat of typhoons, 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>	
<b>(i)</b> If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced at any time prior to 8:30 a.m.:	The position will be as follows: <ul style="list-style-type: none"><li>- Commencement of trading in the morning session will take place <sup>(Note)</sup>:</li><li>- at 8:30 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 6:30 a.m.;</li><li>- 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 9:30 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.; 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..</li><li>- There will be no trading in the morning session if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 8:30 a.m..</li><li>- Commencement of trading in the afternoon session will take place <sup>(Note)</sup>:</li></ul>

	<ul style="list-style-type: none"> <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. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 12:00 noon.</li> <li>- There will be no trading for the day if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 12:00 noon.</li> <li>- There will be no trading for the Special Trading Session (if declared) if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 5:00 p.m..</li> </ul>
<p>(ii) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced during the morning session:</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>- Commencement of trading in the afternoon session will take place <sup>(Note)</sup>:</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. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 12:00 noon.</li> <li>- There will be no trading for the day if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 12:00 noon.</li> <li>- There will be no trading in the Special Trading Session (if declared) if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 5:00 p.m..</li> </ul>
<p>(iii) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced after the end of the morning session but before the</p>	<ul style="list-style-type: none"> <li>- There will be no trading in the afternoon session.</li> <li>- There will be no trading in the Special Trading Session (if declared) if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 5:00 p.m..</li> </ul>

commencement of the afternoon session:	
(iv) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced during the afternoon session:	<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 afternoon 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..</li> <li>- There will be no trading in the Special Trading Session (if declared) if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 5:00 p.m..</li> </ul>
(v) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced during the Special Trading Session:	<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 Special Trading session.</li> </ul>

<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) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced at any time prior to 8:30 a.m.:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> <li>- Commencement of trading in the morning session will take place <sup>(Note)</sup>:</li> <li>- at 8:30 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 6:30 a.m.;</li> <li>- 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 9:30 a.m. if the Signal is lowered and Extreme Conditions are cancelled (where applicable) at or before 7:30 a.m.;</li> </ul>

	<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..</li> <li>- There will be no trading for the day if the Signal is lowered and Extreme Conditions are cancelled (where applicable) after 8:30 a.m..</li> </ul>
(ii) If a Typhoon Signal No. 8 or above is hoisted or Extreme Conditions are announced during the morning session:	<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.</li> </ul>

Note: In the event the Pre-Market Opening Period applies to any HIBOR Futures Contract, the Pre-Market Opening Period for that HIBOR Futures Contract will commence thirty (30) minutes before the indicated time of resumption of trading.

**(b) Trading arrangement for all Trading Days where the Hong Kong Observatory has issued or cancelled a Black Rainstorm Warning**

(i) If a Black Rainstorm Warning is issued at any time prior to 8:30 a.m.:

The position will be as follows:

- Commencement of trading in the morning session will take place <sup>(Note)</sup>:
- at 8:30 a.m. if the Warning is cancelled at or before 6:30 a.m.;
- at 9:00 a.m. if the Warning is cancelled at or before 7:00 a.m.;
- at 9:30 a.m. if the Warning is cancelled at or before 7:30 a.m.;
- at 10:00 a.m. if the Warning is cancelled at or before 8:00 a.m.; or
- at 10:30 a.m. if the Warning is cancelled at or before 8:30 a.m..
- There will be no trading in the morning session if the Warning is cancelled after 8:30 a.m..
- Commencement of trading in the afternoon session will take place <sup>(Note)</sup>:
- at 1:30 p.m. if the Warning is cancelled at or before 11:30 a.m.; or
- at 2:00 p.m. if the Warning is cancelled at or before 12:00 noon.
- There will be no trading in the afternoon session if the Warning is cancelled after 12:00 noon.
- There will be no trading for the Special Trading Session (if declared) if the Warning is cancelled after 5:00 p.m..

<p>(ii) If a Black Rainstorm Warning is issued during the morning session, the afternoon session or the Special Trading Session (if declared):</p>	<p>The position will be as follows:</p> <ul style="list-style-type: none"> <li>- If there was trading before the issuance of the Warning, trading will continue as usual.</li> <li>- If there was no trading before the issuance of the Warning, there will be no trading in the morning session.</li> <li>- Commencement of trading in the afternoon session will take place <sup>(Note)</sup>: <ul style="list-style-type: none"> <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. if the Warning is cancelled at or before 12:00 noon.</li> </ul> </li> <li>- There will be no trading for the day if the Warning is cancelled after 12:00 noon.</li> </ul>
<p>(iii) If a Black Rainstorm Warning is issued after the end of the morning session but before the commencement of the afternoon session (or in case of the Special Trading Session, if the Black Rainstorm Warning is issued at any time after the end of the morning session):</p>	<p>The position will be as follows:</p> <ul style="list-style-type: none"> <li>- If there was trading in the morning session, trading in the afternoon session will take place.</li> <li>- If there was no trading in the morning session, there will be no trading in the afternoon session.</li> <li>- There will be no trading in the Special Trading Session (if declared) if the Warning is cancelled after 5:00 p.m..</li> </ul>

Note: In the event the Pre-Market Opening Period applies to any HIBOR Futures Contract, the Pre-Market Opening Period for that HIBOR Futures Contract will commence thirty (30) minutes before the indicated time of resumption of trading.