

Options Trading Rules

**CHAPTER 1
DEFINITIONS AND INTERPRETATION**

Definitions

101. In these Options Trading Rules, unless the context otherwise requires:-

"Block Trade Facility" means the function of HKATS as specified by the Exchange to be used for Block Trades execution;

**THIRD SCHEDULE
REGULATIONS FOR BLOCK TRADES**

2.2 Minimum Volume Threshold

2.2.3 Where a Block Trade order involves a spread or strategy combination, at least one of the legs comprising the combination must be of a quantity which satisfies the applicable Minimum Volume Threshold. Each leg of the spread or strategy combination must be entered into the Block Trade Facility with reference information according to the manner specified by the Exchange from time to time.

2.3 Block Trade Order Entry

A Block Trade must be negotiated during the trading hours of the Block Trade Contract concerned and be executed immediately on HKATS via the Block Trade Facility in one of the following ways:

(a) A Block Trade order entry by one Exchange Participant

A Block Trade which is negotiated internally between accounts of an Options Trading Exchange Participant or negotiated between two Options Trading Exchange Participants may be entered into HKATS by one Options Trading Exchange Participant. When two Exchange Participants are involved, either one of the Options Trading Exchange Participants shall be responsible for transferring to the other Options Trading Exchange Participant its positions by way of trade adjustment in accordance with the Operational Clearing Procedures, which require the transferring Options Trading Exchange Participant or where applicable, its General Clearing Participant to inform SEOCH of the trade adjustment request as soon as it has been confirmed by the receiving Options Trading Exchange Participant or where applicable, its General Clearing Participant on DCASS.

(b) A Block Trade order entry by two Exchange Participants

A Block Trade which is negotiated between two Exchange Participants may be separately entered into HKATS by the respective buying and selling Exchange Participants. The time difference between the input of one side of a Block Trade and the input of the other side of the Block Trade must be within the prescribed time period as set out in HKATS User's Guide. Any Block Trade order entered into HKATS but not matched within the prescribed time period will be cancelled automatically.

3. (Repealed)