

Options Trading Rules

CHAPTER 1

DEFINITIONS AND INTERPRETATION

Definitions

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

“System Input Cutoff Time” means 6:45 p.m. or such other time after the close of trading from time to time prescribed by SEOCH as the system input cutoff time of DCASS on each Business Day;

CHAPTER 3

OPTIONS EXCHANGE PARTICIPANTS' OBLIGATIONS

Continuing Obligations

302. Each Options Trading Exchange Participant shall at all times:-

- (1) be an Exchange Participant and in compliance with the Exchange Rules;
- (2) notify the Exchange in writing immediately upon:
 - (a) [Repealed]
 - (b) [Repealed]
 - (c) any change in the information supplied to the Exchange on the Request for Connection to HKATS Form

CHAPTER 4

OPTIONS EXCHANGE PARTICIPANTS AND THEIR CLIENTS

Exercise of Client Contracts

415A. On an expiry day, DCASS will automatically generate exercise requests in respect of all open long positions in spot month contracts which meet the exercise criterion prescribed (i) by the relevant SEOCH Participant; or (ii) if no such exercise criterion is prescribed by the SEOCH Participant, by SEOCH. Any automatically generated exercise requests, except those denied by the Options Trading Exchange Participant

(if it is a SEOCH Participant) or its designated GCP (if it is an NCP) before the System Input Cutoff Time on the expiry day in accordance with the Operational Clearing Procedures, are deemed as exercise requests validly entered by that Options Trading Exchange Participant (if it is a SEOCH Participant) or its designated GCP (if it is an NCP) pursuant to the Clearing Rules. At the time at which an OCH Contract allocated to any of its GCP's relevant DCASS accounts with SEOCH in respect of the Options Trading Exchange Participant's Client Account (if it is an NCP) or to any of its client accounts in DCASS, or to any of its relevant DCASS accounts with SEOCH in respect of an Options Broker Exchange Participant (if it is a Direct Clearing Participant or GCP) is so exercised by the automatically generated exercise request pursuant to the Clearing Rules:

- (1) in the case of allocation to any of its GCP's relevant DCASS accounts with SEOCH in respect of the Options Trading Exchange Participant's Client Account (if it is an NCP) or to any of its client accounts in DCASS, or to any of its relevant DCASS accounts with SEOCH in respect of an Options Broker Exchange Participant Account (if it is a Direct Clearing Participant or GCP), the relevant Client Contract shall, by operation of this Options Trading Rule, be treated for all purposes as having been validly exercised.
- (2) in the case of allocation to any of the relevant DCASS accounts of a Direct Clearing Participant or a GCP with SEOCH in respect of an Options Broker Exchange Participant's Omnibus Account, the relevant Client Contract shall, by operation of this Options Trading Rule, be treated for all purposes as having been validly exercised. Where any such Client Contract representing an underlying Options Broker Client Contract is so exercised, the matching Client Contract effected in accordance with Options Trading Rule 411A between the Options Broker Exchange Participant and its client shall also be treated as having been validly exercised.

SIXTH SCHEDULE

STANDARD CONTRACT

7. **Expiry:** An Options Contract in a particular option series which has not been validly exercised shall automatically expire at the System Input Cutoff Time on the Last Exercise Day of that expiry month of Options Contracts in that option series.