

Options Trading Rules

CHAPTER 1 DEFINITIONS AND INTERPRETATION

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

"Authorized Person" means a person employed or engaged by an Exchange Participant to gain access to HKATS;

"HKATS Username" means a unique set of numbers and characters which identifies the Options Trading Exchange Participant gaining access to HKATS;

The definitions of "Authorized User" and "User ID" have been repealed.

CHAPTER 3 OPTIONS EXCHANGE PARTICIPANTS' 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) the resignation or removal of any of its Responsible Officer;

(b) [Repealed]

(c) any change in the information supplied to the Exchange on Form CA

CHAPTER 5 THE OPTIONS TRADING SYSTEM

500. (k) An Options Trading Exchange Participant shall be liable for all orders and Options Contracts arising from its connection to HKATS and recorded in the Central Orderbook or Bulletin Board Orderbook and the Transaction Register respectively of HKATS or other consequences resulting from the use of the Options Trading Exchange Participant's connection, regardless of whether or not such consequences resulted from the use of such connection by its Authorized Persons.

501. Except as otherwise authorized by the Board, all trading of Options Contracts must be carried out on HKATS via an Options Trading Exchange Participant's connection.

501A. [Repealed]

- 501B. An Options Trading Exchange Participant shall ensure that all persons having access to HKATS through its connection or any connection granted through the Options Trading Exchange Participant shall exercise due care in operating HKATS and that HKATS is operated, and orders and give-up instructions are entered, amended or cancelled, in accordance with the procedures and guidelines from time to time prescribed by the Exchange or the Options System Operator.
503. [Repealed]
- 504A. An Options Trading Exchange Participant shall be fully responsible and liable for any unstable condition, breakdown or damage to HKATS or the Options Trading Exchange Participant's HKATS workstations as a result of any unauthorized usage of HKATS by the Options Trading Exchange Participant or as a result of any non-compliance by its Authorized Persons with Options Trading Rule 501B.
518. All orders must be entered into HKATS by Options Trading Exchange Participants in accordance with these Options Trading Rules, the Operational Trading Procedures and such rules, regulations and procedures as may from time to time be prescribed by the Exchange or the Options System Operator.
- 522A. Notwithstanding Options Trading Rules 501 and 501B, an Options Trading Exchange Participant may install computer software which permits its clients or its affiliates to enter instructions directly into HKATS for the purpose of entering, amending and removing orders, provided an Authorized Person first logs on to HKATS and the orders are processed using the same HKATS Username. An Options Trading Exchange Participant shall obtain prior approval from the Exchange or the Options System Operator before using such software. The Exchange and the Options System Operator may from time to time impose conditions on its use, including at any time prohibiting its use by one or more Options Trading Exchange Participants. All orders and Options Contracts arising therefrom which are processed using such software are subject to the Exchange Rules and these Options Trading Rules, including, but not limited to, Options Trading Rule 500(k).
- 522B. An Options Trading Exchange Participant may amend and cancel any order which has been entered into the Central Orderbook or Bulletin Board Orderbook of HKATS on behalf of a client or itself provided that the amendment or cancellation is made in compliance with the instructions of that client or the Options Trading Exchange Participant, as the case may be, and in accordance with the order number designated in respect of that particular order. The Exchange shall permit the amendment or cancellation of an order in accordance with the Operational Trading Procedures. Notwithstanding any provisions in the Operational Trading Procedures which limit the amendment or cancellation of orders to specified time periods, inactive orders of clients or the Options Trading Exchange Participant may be amended or cancelled at any time provided that the amendment or cancellation is made in compliance with the instructions of clients or the Options Trading Exchange Participant, as the case may be.