

香港期貨交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

**HONG KONG FUTURES EXCHANGE LIMITED**

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

## 通告 CIRCULAR

Subject: Product Enhancements to RMB Currency Futures

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Hong Kong Futures Exchange Limited (“the Exchange”) is pleased to announce the following product enhancements to the USD/CNH, EUR/CNH, JPY/CNH, AUD/CNH and CNH/USD Futures (“RMB Currency Futures”):

- i. Extension of Trading Hours of the RMB Currency Futures; and
- ii. Introduction of a Two-tier Market Maker Scheme for USD/CNH Futures

### **I. Extension of Trading Hours of the RMB Currency Futures**

The opening hour of the Day Session of the RMB Currency Futures will be changed from 09:00 to 08:30, and the closing time of the AHFT<sup>1</sup> Session will be extended from 23:45 to 01:00 (next day), effective from 10 July 2017 Day Session.

In line with the existing practice, HKFE Clearing Corporation Limited (“HKCC”) offers post-trade window of 45 minutes after the closing of AHFT Session. Therefore, the AHFT Session clearing service for RMB Currency Futures will be changed from 00:30 to 01:45 effective from 11 July 2017 for trading day on 10 July 2017.

Please note that there will be no change to the opening time of post-trade window of HKCC, which will start at 07:30. Participants should complete their post-trade adjustments for trades executed in the preceding AHFT Session for RMB Currency Futures by 08:00 in order to incorporate these adjustments in the mandatory intra-day variation adjustment and margin calculation which is taken 30 minutes before the market open of the Day Session.

Participants are strongly recommended to review their operational and back-office systems in order to ensure the readiness to support the product enhancements. Participants are requested to notify their staff and all interested clients about the above product enhancements in RMB Currency Futures market. Relevant rule amendments relating to the above will be announced via a separate circular.

<sup>1</sup> After-Hours Futures Trading

## **II. Introduction of a Two-Tier Market Maker Scheme for USD/CNH Futures**

The Exchange will introduce the following two-tier Market Maker scheme, effective from 10 July 2017 Day Session:

- a. **Primary Market Maker (“PMM”)**; and
- b. **Secondary Market Maker (“SMM”)**

The detailed obligations and incentives are set forth below:

	Existing	New (Effective from 10 July 2017 Day Session)	
	Market Maker	PMM	SMM
<b>Assigned Contract</b>	All contract months	All contract months	All contract months
<b>Trading Hours</b>	<ul style="list-style-type: none"> <li>▪ Day Session Only; or</li> <li>▪ Both Day and AHFT Sessions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Day Session Only; or</li> <li>▪ Both Day and AHFT Sessions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Day Session Only; or</li> <li>▪ AHFT Session Only</li> </ul>
<b>Trading Requirement</b>	Provision of CQ <sup>2</sup> for not less than <b>70%</b> of the trading hours in each calendar month	Provision of CQ for not less than <b>70%</b> of the trading hours in each calendar month	Provision of CQ for not less than <b>40%</b> of the trading hours in each calendar month
<b>Maximum Bid / Offer Spread</b>	<ul style="list-style-type: none"> <li>- <b>20</b> ticks for spot and next calendar months</li> <li>- <b>50</b> ticks for third and fourth calendar months</li> <li>- <b>80</b> ticks for other calendar months</li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>Day Session</u> <ul style="list-style-type: none"> <li>- <b>20</b> ticks for spot and next calendar months</li> <li>- <b>50</b> ticks for third and fourth calendar months</li> <li>- <b>80</b> ticks for the next four calendar quarter months</li> <li>- <b>100</b> ticks for other months</li> </ul> </li> <li>▪ <u>AHFT Session</u> <ul style="list-style-type: none"> <li>- <b>20</b> ticks for spot and next calendar months</li> <li>- <b>60</b> ticks for third and fourth calendar months</li> <li>- <b>100</b> ticks for other months</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>Day Session</u> <ul style="list-style-type: none"> <li>- <b>20</b> ticks for spot and next calendar months</li> <li>- <b>50</b> ticks for third and fourth calendar months</li> <li>- <b>80</b> ticks for the next four calendar quarter months</li> <li>- <b>100</b> ticks for other months</li> </ul> </li> <li>▪ <u>AHFT Session</u> <ul style="list-style-type: none"> <li>- <b>20</b> ticks for spot and next calendar months</li> <li>- <b>60</b> ticks for third and fourth calendar months</li> <li>- <b>100</b> ticks for other months</li> </ul> </li> </ul>
<b>Minimum Quote Size</b>	A minimum of 10 contracts	A minimum of 10 contracts	A minimum of 10 contracts

<sup>2</sup> Continuous Quote

	Existing	New (Effective from 10 July 2017 Day Session)	
	Market Maker	PMM	SMM
Incentives	<ul style="list-style-type: none"> <li>- Discounted trading fee of <b>RMB 1.60</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>Day Session Only</u> <ul style="list-style-type: none"> <li>- Discounted trading fee of <b>RMB 1.60</b> in Day Session</li> <li>- 1 OAPI sub-licence fee waiver<sup>3</sup></li> </ul> </li> <li>▪ <u>Both Day and AHFT Sessions</u> <ul style="list-style-type: none"> <li>- <b>Nil trading fee</b></li> <li>- 3 OAPI sub-licence fee waiver</li> <li>- Market data fee waiver</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>Day Session Only</u> <ul style="list-style-type: none"> <li>- Discounted trading fee of <b>RMB 4.00</b> in Day Session</li> </ul> </li> <li>▪ <u>AHFT Session Only</u> <ul style="list-style-type: none"> <li>- Discounted trading fee of <b>RMB 1.60</b> in both Day and AHFT Session</li> <li>- 2 OAPI sub-licence fee waiver</li> <li>- Market data fee waiver</li> </ul> </li> </ul>

Each existing Market Maker of the USD/CNH Futures will be informed individually about the new two-tiered Market Maker scheme and will be appointed to be a PMM or SMM according to their preferences effective from 10 July 2017. In addition, the new market maker scheme is now open for application. Interested parties should contact Mr. Dennis Mok ([DennisMok@hkex.com.hk](mailto:DennisMok@hkex.com.hk)) or Ms. Rina Ku ([Rinaku@hkex.com.hk](mailto:Rinaku@hkex.com.hk)) for further information.

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*This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.*

<sup>3</sup> Refer to the waiver of one OMnet Application Programming Interface ("OAPI") licence, which costs HKD2,600 per month