

香港交易及結算所有限公司是香港聯合交易所有限公司、香港期貨交易所有限公司及香港中央結算有限公司之認可控制人  
Hong Kong Exchanges and Clearing Limited is the recognised controller of The Stock Exchange of Hong Kong Limited, Hong Kong Futures Exchange Limited and Hong Kong Securities Clearing Company Limited

## 通告 CIRCULAR

Subject: **Tentative Launch Date and Preparation for HKATS Risk Functions – Pre-Trade Risk Management (“PTRM”) System in Derivatives Market**

Enquiry: **HKATS Hotline Tel: 2211-6360**

Reference is made to the circular (Ref: MO/DT/178/15) dated 24 December 2015. Following the successful completion of the Market Rehearsal (“MR”) and confirmations of readiness from the Participants, Hong Kong Exchanges and Clearing Limited (“HKEX”) is pleased to announce that HKATS Risk Functions will be launched **tentatively on Monday, 11 April 2016** subject to the approval of the necessary rule amendments by the Securities and Futures Commission (“SFC”).

Participants are requested to follow the checklist as set out in **Appendix 1** to prepare for the launch. Highlights of the preparation works are as follows:

Date	Preparations
On or before 24 March 2016	<ul style="list-style-type: none"> <li>Submission of HKATS Risk Functions GUI login ID application forms</li> <li>Submission of Connectivity Session Enrolments (Participants are highly recommended to participate)</li> </ul>
On or before 1 April 2016	<ul style="list-style-type: none"> <li>Receipt of HKATS Risk Functions GUI login ID(s) and password (s)</li> </ul>
8 April 2016 End of Day	<ul style="list-style-type: none"> <li><b><u>DO NOT</u></b> power down the network gateways over the weekend of 8 – 9 April 2016</li> </ul>
9 April 2016, 6:00 p.m. – 8:00 p.m.	<ul style="list-style-type: none"> <li>Connectivity Session for Participants</li> </ul>
11 April 2016	<ul style="list-style-type: none"> <li>Launch of HKATS Risk Functions</li> </ul>

**1) Application for HKATS Risk Functions GUI login IDs (On or before 24 March 2016)**

The production HKATS Risk Functions GUI login ID(s) are ready for Participant's applications. Participants are requested to complete and return the "REQUEST FOR HKATS RISK FUNCTIONS ("PTRM") CONNECTION" form and the corresponding Form CA(s) for the assignment of Authorized Person(s) as set out in **Appendix 2** on or before 24 March 2016. HKATS Risk Functions GUI login ID(s) and password(s) will be distributed to the Responsible Officer(s) on or before 1 April 2016.

**2) Connectivity Session (9 April 2016)**

Participants are requested **NOT** to power down the network gateways over the weekend of 8 - 9 April 2016. A connectivity session is scheduled on **Saturday, 9 April 2016** between **6:00 p.m. and 8:00 p.m.** for Participants to test the connectivity. Participants are highly recommended to participate to verify the connectivity of the HKATS Risk Functions using the infrastructure, network connection and PC settings that have been verified in the MR. Participants are required to fill in the enrolment form as set out in **Appendix 3** and return it to HKEX by 24 March 2016 for enrolment.

In addition, Participants are advised to verify the connectivity of their CLICK terminals and/or OAPI programs during the connectivity session.

**3) Production Launch and Stabilization Period (11 – 22 April 2016)**

Participants will be able to login to the HKATS Risk Functions after the launch on 11 April 2016. The HKATS Risk Functions GUI will be fully functional. There will be a 2-week Stabilization Period and Participants are requested to note the followings during the Stabilization Period:

- i) Participants shall verify that the risk limits are set as default maximum values
- ii) All the Trading IDs of a Participant Mnemonic are grouped under the Base Pre-Trade Limit Group ("PTLG")

During the Stabilization Period, in the unlikely situation that the upgraded software encounters irreparable incidents, HKEX may, as a last resort, trigger a fallback procedure to revert to the previous version of HKATS in order to resume the trading and clearing services for the derivatives markets. All emergency announcements will be made through Market Messages, Exchange News Systems (“ENS”) and other available communication channels. Please note that the fallback arrangement will only be applicable during the Stabilization Period. A detailed fallback arrangement is set out in **Appendix 4**.

#### **4) Post-Launch and the Calibration Period**

After the launch, a 6-month Calibration Period will be allowed for Participants to update risk limits for their corresponding PTLGs. Utilization Reports will be provided through DCASS Terminals to assist Participants in determining the appropriate risk limits. Participants shall have a full assessment and **are requested to submit a notification to HKEX before applying the risk limits for the first time**. Details of arrangement will be announced in due course.

The Exchange would like to thank all Participants for their participation in all the tests and their supports to the launch of HKATS Risk Functions for the derivatives market.

Sanly Ho  
Head  
Derivatives Trading  
Markets Division

Appendix 1

**Checklist – Preparations for the Launch of HKATS Risk Functions on 11 April 2016**

Items to be checked		✓
<b>(A) Before 9 April 2016</b>		
1.	<p><b><u>Submission of forms on or before 24 March 2016:</u></b></p> <ul style="list-style-type: none"> <li>Submit the forms set out in <b><u>Appendix 2:</u></b> <ul style="list-style-type: none"> <li>“REQUEST FOR HKATS RISK FUNCTIONS (“PTRM”) CONNECTION”</li> <li>“Form CA(s)”</li> </ul> </li> </ul> <p>for the application of production HKATS Risk Functions GUI login ID(s)</p> <ul style="list-style-type: none"> <li>Submit the enrolment form set out in <b><u>Appendix 3</u></b> for the connectivity session on 9 April 2016</li> </ul> <p><b><u>Confirmation of HKATS Risk Functions login IDs and passwords:</u></b></p> <ul style="list-style-type: none"> <li>Received production HKATS Risk Functions login IDs and passwords <b><u>on or before 1 April 2016</u></b></li> </ul>	
2.	<p><b><u>On 8 April 2016 End of Day:</u></b></p> <p>Keep the network gateways power up over the weekend</p>	
<b>(B) During the Connectivity Session on Saturday, 9 April 2016</b>		
3.	Arrange the dedicated PC(s) with settings verified in Market Rehearsal for the connectivity session	
4.	Open Internet Explorer	
5.	<ul style="list-style-type: none"> <li>In the URL, type the gateway hostname and port assigned per HKATS Risk Functions login ID with “https” as the protocol identifier</li> <li>If the connection is successful, the screen “Nasdaq – Genium INET TradeGuard” will appear on the browser</li> <li>Participants are requested to test the connectivity of the assigned primary gateway(s) only</li> </ul>	
6.	Click on the screen and the login window for HKATS Risk Functions will subsequently appear (the connectivity test is considered as successful at this point)	
7.	Login HKATS with Click terminals and / or OAPI programs with existing	

	usernames and passwords	
<b>(C) Production Launch and During the Stabilization Period, 11 to 22 April 2016</b>		
8.	<ul style="list-style-type: none"> <li>Login HKATS Risk Functions GUI with the assigned gateway hostname and port</li> <li>No change of login information in existing CLICK terminals and / or OAPI programs</li> </ul>	
9.	<p>Check all the data shown in the GUI being correctly set:</p> <ul style="list-style-type: none"> <li>All risk limits are set at their maximum values by default</li> <li>All Participant Trading IDs are found under the Base PTLG under the correct Participant Mnemonic</li> </ul>	
<b>(D) The Calibration Period, a 6-month period after Production Launch</b>		
10.	<p><b><u>Reminders to Participants after the launch:</u></b></p> <ul style="list-style-type: none"> <li><b><u>Participant shall notify HKEX before inputting their risk limits the first time into HKATS Risk Functions</u></b></li> <li><b><u>Participants shall notify HKEX after executions on Emergency Buttons</u></b></li> </ul>	
11.	Participants are recommended to start setting up their own PTLG(s), if necessary, and leave all risk limits at their default maximum values	
12.	Participants start to review their risk limits for each PTLG(s) created. Two PTRM reports (Audit and Utilization) will be made available from 11 April 2016 via DCASS Terminal. Participants are recommended to download the reports for their own records and audit purposes. For more information about the reports, Please refer to Appendix H of “ <b>HKATS Risk Functions User’s Guide</b> ”	
<b>(E) End of Calibration Period</b>		
13.	Subsequent reviews will be conducted by HKEX on the reasonableness of risk limits set by Participants. Details of arrangement will be announced in due course	

Appendix 2

**HONG KONG FUTURES EXCHANGE LTD /  
THE STOCK EXCHANGE OF HONG KONG LTD**  
(A wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd)

6/F Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

Fax: 2877 0017  
Hotline: 2211 6360  
Email: [ClickSupport@hkex.com.hk](mailto:ClickSupport@hkex.com.hk)

REQUEST FOR HKATS RISK FUNCTIONS ("PTRM") CONNECTION

**Particulars of Exchange Participant**

Mnemonic	Participant Name
<input type="checkbox"/> HKFE Participant <input type="checkbox"/> Options Trading Exchange Participant    (Please choose one only)	

**Contact Person**

Name	Tel	Fax
Position	E-mail	

**Services Required** (Please tick the box for the appropriate service required.)

<input type="checkbox"/> Installation / <input type="checkbox"/> Termination of HKATS Risk Functions Connection	
Number of connection for <b>Risk Limit Managers</b> :	_____ (for Participants who clear trades by themselves)
Number of connection for <b>Trading Units</b> :	_____ (for trading group : _____ e.g. XYZ, XYZAA)
(Please specify the trading group in the column "No. of new usernames requested" in Part II of Form CA)	
Site Connected :	_____ (e.g. 01)
Intended Effective Date :	_____

Fee <sup>Note 1</sup> : HKD1,000 per connection per month

\_\_\_\_\_  
Signature of Responsible Officer  
with company chop

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Responsible Officer

Note 1 : HKEX will free the HKATS Risk Functions connection fees for the first 3 connections for each Exchange Participant

Note 2 : Completed application form should be sent to HKEX by fax at 2877 0017 or by email at [ClickSupport@hkex.com.hk](mailto:ClickSupport@hkex.com.hk)

For HKEX use only					
FE / SE	Signature Verified	EP	Workstation Name(s)	Reviewed by	Remarks

## THE STOCK EXCHANGE OF HONG KONG LIMITED

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

6/F Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

Hotline : 2211 6360  
Fax : 2877 0017 / 2509 0724

### HKATS USERNAMES FOR ACCESS TO HKATS

#### PARTICULARS OF EXCHANGE PARTICIPANT

Mnemonic	Participant Name
----------	------------------

#### CONTACT PERSON

Name	Tel	Fax
Position	E-mail	

#### Part I – Request for additional HKATS usernames

We hereby request the Exchange to issue \_\_\_\_\_ additional HKATS Username(s) to access HKATS. We acknowledge that such HKATS Username(s) is/are issued by the Exchange at its absolute discretion and may be revoked or suspended by the Exchange.

Name of Responsible Officer	Office tel no.	Mobile phone no.	E-mail Address

#### Part II – Details of Authorized Persons (for addition of HKATS Usernames and change of contact person)

We hereby notify the Exchange that in addition to our Responsible Officers, the Exchange may contact the Authorized Persons listed in the tables below in relation to our access to HKATS.

Existing username / No. of new usernames requested	CLICK / OAPI /HKATS Risk Functions user (only for any request of a new username)	Name of Authorized Person	First 4 digits of HKID card / passport no.	Office tel no.	Mobile phone no.


### Part III – Deletion of HKATS Usernames

We hereby request for the deletion of the HKATS Username(s) set forth in the table below with effect from the date(s) specified. The Authorized Person(s) of such HKATS Usernames are also listed for the Exchange's information.

HKATS Username	Effective date	Current Authorized Person

We undertake to notify the Exchange immediately of any changes in the information provided above.

For and on behalf of

\_\_\_\_\_  
[Name of Exchange Participant]

\_\_\_\_\_  
Signature of Responsible Officer  
with company chop

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Responsible Officer



Appendix 3

Connectivity Session Enrolment Form for the Launch of HKATS Risk Functions

To: Derivatives Trading, Markets  
Hong Kong Exchanges and Clearing Limited

Email: [ClickSupport@hkex.com.hk](mailto:ClickSupport@hkex.com.hk)  
Fax No.: 2509 0724 or 2877 0017  
HKATS Hotline: 2211 6360

From: Participant Name: \_\_\_\_\_

- ☐ We will not participate in the connectivity session on Saturday, 9 April 2016
- ☐ We will participate in the connectivity session between 6:00 p.m. and 8:00 p.m. on Saturday, 9 April 2016. The contacts for the connectivity session are as follows:

	Name	Phone no.	Mobile no.	Email
1				
2				

- Completed form should be returned by fax at 2509-0724 or 2877-0017 or email to [ClickSupport@hkex.com.hk](mailto:ClickSupport@hkex.com.hk) **on or before Thursday, 24 March 2016.**
- Exchange Participants are advised to keep the completed enrolment form for record.
- There is no order input session during the connectivity session.

## Appendix 4

**Fallback Arrangement**

The fallback procedures are only applicable during the stabilization period, i.e., the first two weeks after HKATS upgrade from 11 to 22 April 2016. In the event of any critical issues arising, HKEX will investigate the cause and try to rectify the situation by all available means. In case that it is necessary to fallback, HKEX will switch HKATS to the previous non-HKATS Risk Functions version internally and inform Participants upon the completion of the switching process. The fallback procedures are estimated to take about 3 hours to complete. Subject to the triggering time of the fallback procedures, the trading and clearing services may be suspended for remaining trading hours of the day.

**1. Communication channels in case of fallback**

Participants will be informed once the fallback decision is made and upon completion of the switching process. The fallback schedule, estimated resumption time of the previous non-HKATS Risk Functions version and the opening schedules of all markets will be communicated through Market Messages, Exchange News System (“ENS”) and other available communication channels.

**2. Participants’ arrangement**

Once the fallback is completed, Participants shall use current version of Click terminals, OAPI programs and DCASS Terminals<sup>1</sup> to login again. There will be no change in the login IDs and passwords due to the fallback. Existing login IDs and passwords shall be used.

**3. Actions to be taken after fallback***i) Establishment of Connections to HKATS*

Once fallback has been completed, HKEX will immediately notify all Participants. All Participants should login HKATS with current version of their Click terminals and / or OAPI programs and verify if all the fields under the “Status” column in the Information Feed Status window are “ON”.

---

<sup>1</sup> There is no version change on DCASS due to the launch of HKATS Risk Functions

After logging on to HKATS, Participants should check information through the Market Messages window to retrieve the following information from HKEX:

- Schedule of market openings
- Notice of any special arrangement for trading on HKATS; and
- Other important market information

*ii) Validation of trades executed*

In order to ensure the accuracy of information for trades that were executed prior to and after the fallback, Participants should validate all trades upon fallback completion via their CLICK terminals, OAPI programs and DCASS Terminals.

**Order book will be emptied after the fallback** with no outstanding order after logging in by CLICK terminals or OAPI programs.

#### **4. Enquiries**

For any enquiries about the fallback procedures, Participants can contact the HKATS hotline at 2211-6360.

#### **5. Checklist for Fallback**

Items to be checked		√
1.	Pay attention to Market Messages and Exchange News for the possible fallback announcements made by HKEX	
2.	Upon resumption of HKATS after the fallback, login HKATS with the current software version using Click terminals and/ or OAPI programs; and DCASS Terminals	
3.	<ul style="list-style-type: none"> <li>• Use existing usernames and passwords to login HKATS</li> <li>• Participants should validate all trades upon fallback completion</li> </ul>	