



HKEx
香港交易所

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Date: 22 August 2012

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

事項 Introduction of Renminbi Currency Futures
Subject:

查詢 Ms. Sharon Ang 2211-6151
Enquiry:

The Exchange is pleased to announce that trading of its first RMB Currency Futures - USD/CNH Futures - will commence on **Monday, 17 September 2012 (the Commencement Day)**.

Trading Arrangements

On 17 September 2012, the following contracts will be available for trading:

October 2012, November 2012, December 2012, January 2013, March 2013, June 2013 and September 2013

Details of the contract specifications of USD/CNH Futures are set forth in Attachment I for your reference. Relevant rule amendments relating to USD/CNH Futures will be announced via a separate circular.

Please note that USD/CNH Futures will have a maximum order size limit on HKATS of 1,000 contracts. Participants are required to submit their request to HKEx for setting up their own order size limit based on their business needs and risk management requirements.

Error Trade Price Parameters and Procedures

The price parameter for USD/CNH Futures for the purpose of the error trade rules under HKFE Rule 819B is 1% from the notation price. The error trade procedures are set forth in Attachment II for reference.

Pre-Launch Arrangements

To facilitate the preparation of Participants for the trading and clearing of USD/CNH Futures, the following pre-launch arrangements will be in place on Friday, 14 September 2012 (i.e. one business day before the commencement date):

香港交易及結算所有限公司
Hong Kong Exchanges and Clearing Limited

香港中環港景街一號國際金融中心一期12樓
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- a) Trading codes of USD/CNH Futures (CUS) will be displayed on HKATS although they will not be traded on that day; and
- b) Information relating to USD/CNH Futures will be generated in the risk parameter files, clearing and open interest reports.

Information Vendors' Access Codes

For access to real-time trading information of USD/CNH Futures, please refer to the list of information vendors' access codes in Appendix III. This list is also available on HKEx's website and may be updated from time to time.

Clearing Arrangements

To be eligible for trading/clearing USD/CNH futures, Exchange Participants need to set up their house and client bank accounts in both RMB and USD with any one of the [settlement banks appointed by HKCC](#) and to maintain relevant [mandates](#) in such form as prescribed by HKCC. Exchange Participants are reminded to ensure that the bank accounts maintained must be **in active status** and are ready for money settlement. Non-clearing Participants should contact their General Clearing Participants to ascertain their eligibility of clearing USD/CNH Futures.

Risk Management Arrangements

Please refer to the attachment of the HKCC circular issued on 28 May 2012 regarding "Update on Renminbi Currency Futures" (Ref: [CD/DCO/HKCC/006/2012](#)).

Margin levels and update of PC-SPAN Organization Master File for USD/CNH Futures will be announced in due course.

Educational Activities

Two seminars on the Introduction of RMB Currency Futures will be held on Wednesday, 5 September in Cantonese and Thursday, 13 September in English. These seminars are designed for account executives and sales and marketing personnel of Exchange Participants. Speakers will include HKEx representatives and currency experts from global investment banks.

Participants are welcome to register for the seminar(s) by emailing the required information set forth in Attachment IV to products@hkex.com.hk.

PC Wong
Vice President
Trading Division (Derivatives)

Att.

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.

Proposed contract specification of USD/CNH futures

**Contract Specifications
For
US Dollar vs Renminbi (Hong Kong) (“USD/CNH”) Futures**

The following Contract Specifications shall apply to the USD/CNH Futures Contract:

Contract Size	USD100,000
Contract Months	Spot month, the next three calendar months and the next three calendar quarter months (i.e. quarter months are March, June, September and December). The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate.
Price Quotation	RMB per USD (e.g. RMB 6.2486 per USD)
Minimum Fluctuation	RMB 0.0001 (4 decimal places)
Tick Value	RMB 10
Contracted Price	The price at which a USD/CNH Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size (e.g. RMB 6.2486 x 100,000)
Trading Hours	9:00 a.m. – 4:15 p.m. (Hong Kong time) There is no trading after 12:00 noon on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:00 noon (Hong Kong time)
Trading Hours on the Last Trading Day	9:00 a.m. – 11:00 a.m. (Hong Kong time)
Trading Method	The Exchange’s Automated Trading System (HKATS)
Position Limits	8,000 net contracts in all Contract Months combined and no more than 2,000 open contracts in the Spot Month Contract during the five Hong Kong Business Days up to and including the Last Trading Day per Exchange Participant for the Exchange Participant’s own behalf; and

	8,000 net contracts in all Contract Months combined and no more than 2,000 open contracts in the Spot Month Contract during the five Hong Kong Business Days up to and including the Last Trading Day, per Client	
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and 500 open contracts, in any one Contract Month, per Client	
Settlement Method	Delivery of US dollars by the Seller and payment of the Final Settlement Value in RMB by the Buyer in accordance with the mechanism and provisions set forth in the Regulations for trading Currency Futures Contracts and the Clearing House Rules	
Final Settlement Value	Contract Size x Final Settlement Price	
Final Settlement Day	The third (3rd) Wednesday of the Contract Month. If it is not a Hong Kong Business Day, the Final Settlement Day shall be the next Hong Kong Business Day	
Last Trading Day	The Last Trading Day of a Contract shall be two Hong Kong Business Days prior to the Final Settlement Day	
Final Settlement Price	Spot USD/CNY(HK) fixing published by the Hong Kong Treasury Markets Association at 11:15 a.m. on the Last Trading Day	
Trading Fee (per contract per side)	Exchange Fee (in RMB)	RMB 8.00
	The amount indicated above is subject to change from time to time	
Levies (per contract per side)	Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance	
Commission Rate	Negotiable	

You can refer to Treasury Markets Association's disclaimer and copyright notice regarding information provided on its website below:

<http://www.hkex.com.hk/eng/prod/drprod/rmb/cnhspecs.htm>

Error Trade Parameters for USD/CNH Futures Contracts

The price parameters for USD/CNH Futures for the purposes of the error trade rule under HKFE Rule 819B are as follows:

<u>Futures contract</u>	<u>from notation price</u>
USD/CNH	1%

Note:

The notation price will be determined as follows:

1. The average of the prices of the previous match and the next match in that contract month occurring reasonably close to the time of error trade. If this, in the opinion of the Exchange, fails to reflect a fair price, the notation price will be determined on the basis of item (2) below.
2. The reasonable bid and offer prices available around the time of error trade. If this, in the opinion of the Exchange, fails to reflect a fair price, the notation price will be determined on the basis of item (3) below.
3. The prices obtained by the Exchange from consulting up to 3 independent market practitioners who have no interest in the trade in order to arrive at a valid notation price.

Notwithstanding the foregoing, the Exchange shall have absolute discretion in determining the notation price.

Information Vendors' Access Codes

Vendor	Access Code
AAStocks.com Limited	221355
AFE Solutions Ltd	870799
Bloomberg Finance L.P.	UCAA CRNCY CT <GO>
ET Net Limited	CUS / Index Futures Quotation
Infocast Limited	Derivatives->Futures
Interactive Brokers LLC	CUS
QuotePower International Limited	P11020
Reuters Limited, a Thomson Reuters Company	0#HCUS:
Telequote Data International Limited	CUSmy

Seminar on Introduction of RMB Currency Futures Contract

Application Form

(To reply before 5:00 p.m. on Friday, 4 September 2012)

To **Derivatives Market, Trading Division**
(email to products@hkex.com.hk)

Please include the following information in a text email

From
(Exchange Participant) : _____

Telephone No. : _____

Number of attendees : _____

Name(s) & Email address(es)
of attendee(s) : _____

Language : **Please indicate which seminar to attend**
Cantonese Wednesday, 5 September 2012
(5:00 p.m. – 6:00 p.m.) at The Exchange Auditorium
The Exchange Hall 1/F, One & Two Exchange Square,
Central

English Thursday, 13 September 2012
(5:00 p.m. – 6:00 p.m.) at The Viewing Gallery
2/F., One and Two Exchange Square, Central