

## HKEx Information Services Limited

(A wholly-owned member of the Hong Kong Exchanges and Clearing Limited Group)

### Guiding Note on Marketing Programme for New Derivatives Products Derivatives Market Data (for real-time data vendors)

#### Purpose

In September 2013, HKEx-IS introduced a new marketing programme to promote derivatives market data in Mainland China, Japan, Korea, Singapore and Taiwan (“the Regions”) with a focus on new derivatives products (“the Marketing Programme for New Derivatives Products”). We target to provide a comprehensive benefit package for information vendors (IVs) and investors.

This Guiding Note aims to provide details of the Marketing Programme for New Derivatives Products.

#### Programme Details

The Marketing Programme for New Derivatives Products is set out as per table below:

<b>Programme Duration:</b>	From September 2013 to December 2015	
<b>Redistribution Fee Waiver:</b>		
<b>Redistribution Fee</b>	<b><u>Waived</u></b> (savings of <b><u>\$19,500</u></b> for PRS and <b><u>\$25,350</u></b> for PRS Plus per quarter)	
	For IVs (1) who complete the applications by <u>31 March 2014</u> ; and (2) whose derivatives data subscriber base is from the Regions <u>only</u> ; and (3) whose services display real-time data of at least two of the following products: <i>HKEx CNH currency futures, CESC index futures and other new products including commodities futures</i> , as updated by HKEx-IS from time to time.	
<b>Subscriber Fees Waiver:</b> (applicable to all IVs even they are not entitled to the Redistribution Fee Waiver)		
<b>Subscriber Fees</b>	<b>Streaming Level 1 Data</b>	<b><u>Waived</u></b> (savings of <b><u>\$25</u></b> per subscriber unit per month minimum monthly Subscriber Fee of \$2,250 also waived)
		<b>Requirements:</b> (1) IV’s services must display real-time data of at least two of the following products: <i>HKEx CNH currency futures, CESC index futures</i>

		<p><i>and other new products including commodities futures, as updated by HKEx-IS from time to time; and</i></p> <p>(2) Only apply to the subscribers from the Regions</p>
	<b>BMP Service</b>	<p style="text-align: center;"><b><u>Waived</u></b></p> <p style="text-align: center;"><i>(savings of max. <b><u>\$54,000</u></b> per month)</i></p> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>- <i>Waiver also applicable to third party website and mobile applications services</i></li> <li>- <i>Additional supporting documents may be required to demonstrate business plans to target clients in the Regions</i></li> <li>- <i>Refer the <a href="#">BMP corner</a> on HKEx website for more details on BMP Service:</i></li> </ul> <p><b>Requirements:</b></p> <p>(1) IV's BMP Service must display data of at least two of the following products: <i>HKEx CNH currency futures, CESC index futures and other new products including commodities futures, as updated by HKEx-IS from time to time; and</i></p> <p>(2) BMP Websites shall include a version in local language of one the Regions</p>

IVs' entitlement to the Marketing Programme for New Derivatives Products is subject to the following conditions:

1. **Prior approval:** IVs who intend to apply for the Marketing Programme for New Derivatives Products must seek prior approval from HKEx-IS by submitting Vendor Enrolment Form and relevant licence and service application forms.
2. **Deposit for real-time derivatives datafeed:** It is our standard requirement for real-time data vendors to pay a deposit of min. \$100,000 for derivatives market data under the Market Data Vendor Licence Agreement (the Agreement). However, for new IVs who are not subject to any Redistribution Fee and Subscriber Fees under the Marketing Programme for New Derivatives Products, the standard deposit amount of min. \$100,000 would be **waived** during the programme period. Financial information of these IVs would still need to be submitted.
3. **Waiver on redistribution fee:** IVs that fulfill all requirements of the Marketing Programme are eligible to enjoy the Redistribution Fee waiver. For existing derivatives IVs, they shall complete and return the Vendor Enrolment Form. Subject to the approval of HKEx-IS, they would start enjoying the waiver from the subsequent month onwards. For new derivatives data IVs, they shall complete the licence/datafeed and service application process (please refer the [Vendor Application Process/ Datafeed Application Process](#)). Subject to the approval of HKEx-IS, they would start enjoying the waiver from the month when their services are launched.
4. **Waiver on subscriber fee for streaming Level 1 data services:** To enjoy the Subscriber Fee waiver

for streaming Level 1 data services, IVs shall impose both technical and business controls to ensure with reasonable endeavour that the subscribers residing and located in, and with data access only from Mainland China, Japan, Korea, Singapore or Taiwan regions. For the avoidance of doubt, the IVs can have subscribers from one or more regions of the above. The concerned subscribers shall mean residents genuinely residing or institutions physically located in Mainland China, Japan, Korea, Singapore or Taiwan. They shall access the data **ONLY** from the corresponding region. Access from locations outside shall not be entitled to the benefits.

5. Waiver on subscriber fee for BMP services: To enjoy the Subscriber Fee waiver for BMP services, the BMP service must include a version in local language of one of the Regions and the IVs shall provide additional supporting documents as required by HKEx-IS to demonstrate business plans to target clients in the Regions.
6. Reporting: IVs are required to provide HKEx-IS breakdown in the Monthly Subscriber Reports detailing the number of Subscriber Units of streaming Level 1 data by region. The report should include address/location for subscribers under the Marketing Programme for New Derivatives Products.
7. Volume discount entitlement: The number of Subscriber Units for streaming Level 1 data claimed under the Marketing Programme for New Derivatives Products shall not be counted towards the Volume Discount as per Schedule 5 of the Market Data Vendor Licence Agreement.
8. Waiver entitlement: IVs are required to claim the Subscriber Fees waivers (streaming Level 1 data and BMP services) before the due date for monthly payment and reporting. HKEx-IS may charge the standard Subscriber Fees as per the Datafeed services for units/BMP service not reported for the purpose of the Marketing Programme for New Derivatives Products on or before the due dates for payment and reporting as stipulated in the Agreement.
9. Violation of the requirements: HKEx-IS may demand Redistribution Fee and Subscriber Fees together with interest payments on any unpaid fees if, in the reasonable belief of HKEx-IS, the IVs are in violation of conditions of the Marketing Programme for New Derivatives Products. The fees and interest payable will be calculated according to the terms and conditions of the Agreement. HKEx-IS' decision shall be final.
10. HKEx-IS shall have the absolute discretion over the approval or rejection of an IV's application for the Marketing Programme for New Derivatives Products.
11. HKEx-IS reserves the right to amend the conditions of the Marketing Programme for New Derivatives Products at any time. HKEx-IS also reserves the right to withdraw any previous

approval granted under the Marketing Programme for New Derivatives Products as it sees appropriate.

### **Enrolment Method**

For both existing and new IVs who intend to enrol in the Marketing Programme for New Derivatives Products, please complete and return the Vendor Enrolment Form. The Sales & Marketing team will follow up on the licence (only for new vendors) and service application process.

Should you have any questions on the programme and application process, please contact:

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September 2013

HKEx-IS