

# SECURITIES AND FUTURES (CONTRACTS LIMITS AND REPORTABLE POSITIONS) RULES

(Made by the Securities and Futures Commission under section 35(1) of the Securities and Futures Ordinance (No. 5 of 2002))

## 1. Commencement

These Rules come into operation on the day appointed for the commencement of Part III of the Securities and Futures Ordinance (No. 5 of 2002).

## 2. Interpretation

In these Rules, unless the context otherwise requires –

“futures contract” (期貨合約) means a futures contract specified in column 2 of Schedule 1;

“stock options contract” (股票期權合約) means a stock options contract specified in column 2 of Schedule 2;

“reportable position” (須申報的持倉量) means an open position in –

(a) a futures contract in excess of the number specified for it in column 4 of Schedule 1; or

(b) a stock options contract in excess of the number specified for it in column 4 of Schedule 2;

## 3. Application

These Rules have effect in relation to futures contracts and stock options contracts that are traded through the facilities and in accordance with the rules of a recognized exchange company.

## 4. Prescribed limits

(1) For the purposes of section 35(1)(a) and (b) of the Ordinance, the prescribed limit for –

(a) a futures contract is as specified in column 3 of Schedule 1;

(b) a stock options contract is as specified in column 3 of Schedule 2.

(2) No person may hold or control futures contracts or stock options contracts in excess of a prescribed limit unless the excess is expressly authorized under the rules of a recognized exchange company.

## 5. Reportable positions

For the purposes of section 35(1)(c) of the Ordinance, a person holding or controlling a reportable position must notify a recognized exchange company under its rules.

## **6. Compliance by exchange participants**

In their application to an exchange participant, the prescribed limits referred to in section 4 and the reportable positions referred to in section 5 apply –

- (a) to futures contracts or stock options contracts held or controlled by that exchange participant for its own account; and
- (b) separately, to futures contracts or stock options contracts held or controlled by that exchange participant for each of its clients.

## **7. Penalty**

Any person who, without reasonable excuse, fails to comply with section 4 or 5 commits an offence and is liable –

- (a) on conviction on indictment to a fine at level 6 and to imprisonment for 2 years;
- (b) on summary conviction to a fine at level 3 and to imprisonment for 6 months.

**SCHEDULE 1**  
**PRESCRIBED LIMITS AND REPORTABLE POSITIONS**  
**IN RESPECT OF FUTURES CONTRACTS**

[ss. 2&4]

<b>Item</b>	<b>Futures Contract</b>	<b>Limit</b>	<b>Reportable Position</b>
1.	HSBC Holdings Plc stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
2.	CITIC Pacific Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
3.	Cheung Kong (Holdings) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
4.	Swire Pacific Ltd. 'A' stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
5.	CLP Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
6.	China Resources Enterprise, Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
7.	Hang Seng Bank Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
8.	Henderson Land Development Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
9.	Hopewell Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
10.	Hutchison Whampoa Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
11.	New World Development Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
12.	Shanghai Industrial Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
13.	Sun Hung Kai Properties Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
14.	The Wharf (Holdings) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
15.	Hang Seng China-Affiliated Corporations Index futures contract	10 000 open contracts for any one contract month	500 open contracts for any one contract month.
16.	Hang Seng China-Affiliated Corporations Index options contract	10 000 open contracts for any one contract month	500 open contracts for any one contract month.

17.	Three-Month Hong Kong Interbank Offered Rate futures contract	Nil	1 000 open contracts for any one contract month; 4 000 open contracts for all contract months.
18.	COSCO Pacific Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
19.	Hong Kong and China Gas Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
20.	Hongkong Electric Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
21.	China Mobile (Hong Kong) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
22.	HKFE Taiwan Index futures contract	Nil	500 open contracts for any one contract month.
23.	HKFE Taiwan Index options contract	Nil	500 open contracts for any one series.
24.	Hang Seng 100 futures contract	Nil	500 open contracts for any one contract month.
25.	Hang Seng 100 options contract	Nil	500 open contracts for any one series.
26.	One-Month Hong Kong Interbank Offered Rate futures contract	Nil	1 000 open contracts for any one contract month; 4 000 open contracts for all contract months.
27.	Hang Seng Index futures and options contracts, and Mini-Hang Seng Index futures contracts	10 000 long or short position delta limit for all contract months combined, provided the position delta for the Mini-Hang Seng Index futures contracts shall not at any time exceed 2 000 long or short for all contract months combined	250 open Hang Seng Index futures contracts for any one contract month; 250 open Hang Seng Index options contracts for any one series; 1 250 open Mini-Hang Seng Index futures contracts for any one contract month.
28.	Hang Seng Finance Sub-Index futures contracts	300 open contracts for any one contract month	50 open contracts for any one contract month.
29.	Hang Seng Utilities Sub-Index futures contracts	300 open contracts for any one contract month	50 open contracts for any one contract month.
30.	Hang Seng Commerce and Industry Sub-Index futures contracts	300 open contracts for any one contract month	50 open contracts for any one contract month.
31.	Hang Seng Properties Sub-Index futures contracts	250 open contracts for any one contract month.	50 open contracts for any one contract month.
32.	Hang Seng Properties Sub-Index options contracts	250 open contracts for any one series.	50 open contracts for any one series.

33.	Hang Seng China Enterprises Index futures contracts	6 000 open contracts for any one contract month	250 open contracts for any one contract month.
34.	Hang Seng China Enterprises Index options contracts	6 000 open contracts for any one series.	250 open contracts for any one series.
35.	Pacific Century Cyberworks Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
36.	Bank of East Asia Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
37.	Legend Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
38.	MSCI China Free Index futures contract	10 000 open contracts for any one contract month	500 open contracts for any one contract month.
39.	MSCI China Free Index options contract	10 000 open contracts for any one contract month	500 open contracts for any one contract month.
40.	Amoy Properties Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
41.	Cathay Pacific Airways Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
42.	Cheung Kong Infrastructure Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
43.	China Merchants Holdings (International) Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
44.	China Petroleum & Chemical Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
45.	China Unicom Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
46.	Dah Sing Financial Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
47.	Guoco Group Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
48.	Hang Lung Development Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
49.	Henderson Investment Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
50.	Hong Kong Exchanges and Clearing Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
51.	Hysan Development Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.

52.	Johnson Electric Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
53.	Li & Fung Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
54.	MTR Corporation Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
55.	PetroChina Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
56.	Shangri-La Asia Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
57.	Sino Land Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
58.	South China Morning Post (Holdings) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
59.	Television Broadcasts Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
60.	Wheelock and Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
61.	Wing Hang Bank, Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
62.	Yue Yuen Industrial (Holdings) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
63.	Cisco System Incorporated stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
64.	IBM Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
65.	Intel Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
66.	Microsoft Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
67.	Oracle Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
68.	NTT DoCoMo Incorporated stock futures contract	50000 open contracts for any one contract month	10 000 open contracts for any one contract month.
69.	Sony Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
70.	Nippon Telegraph & Telephone Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
71.	Fujitsu Limited stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
72.	Toyota Motor Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.

73.	Korea Electric Power Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
74.	Korea Telecom Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
75.	Samsung Electronics Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
76.	SK Telecom Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
77.	Kookmin Bank stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
78.	Mosel Vitelic Incorporated stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
79.	Ritek Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
80.	Taiwan Semiconductor Manufacturing Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
81.	United Micro Electronics Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
82.	Winbond Electronics Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
83.	Options on Cisco System Incorporated stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
84.	Options on IBM Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
85.	Options on Intel Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
86.	Options on Microsoft Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
87.	Options on Oracle Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
88.	Options on NTT DoCoMo Incorporated stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.

89.	Options on Sony Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
90.	Options on Nippon Telegraph & Telephone Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
91.	Options on Fujitsu Limited stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
92.	Options on Toyota Motor Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month.
93.	Options on Korea Electric Power Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
94.	Options on Korea Telecom Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
95.	Options on Samsung Electronics Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
96.	Options on SK Telecom Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
97.	Options on Kookmin Bank stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
98.	Options on Mosel Vitelic Incorporated stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
99.	Options on Ritek Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
100.	Options on Taiwan Semiconductor Manufacturing Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
101.	Options on United Micro Electronics Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
102.	Options on Winbond Electronics Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
103.	Dow Jones Industrial Average futures contract	20 000 open contracts for any one contract month	1 000 open contracts for any one contract month.
104.	Dow Jones Industrial Average options contract	20 000 open contracts for any one contract month	1 000 open contracts for any one contract month.



105. Three Year Exchange Fund Note (EFN) Futures contract	5 000 open contracts for any one contract month except that the limits for the Spot Month EFN Futures Contract during the last 6 Trading Days is 1 000 contracts in the Spot Month	1 000 open contracts for any one contract month except that the reportable position for the Spot Month EFN Futures Contract during the last 6 Trading Days is 200 contracts in the Spot Month
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**SCHEDULE 2**  
**PRESCRIBED LIMITS AND REPORTABLE POSITIONS**  
**IN RESPECT OF STOCK OPTIONS CONTRACTS**

[ss.2&4]

<b>Item</b>	<b>Stock Options Contract</b>	<b>Limit</b>	<b>Reportable Position</b>
1.	HSBC Holdings Plc stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
2.	Cheung Kong (Holdings) Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
3.	CITIC Pacific Ltd stock options contract	5000 contracts in any one expiry month	1 000 contracts in any one expiry month
4.	Swire Pacific Ltd 'A' stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
5.	CLP Holdings Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
6.	Henderson Land Development Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
7.	Hutchison Whampoa Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
8.	Sun Hung Kai Properties Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
9.	Hopewell Holdings Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
10.	Amoy Properties Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month.
11.	The Bank of East Asia Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month.
12.	Hang Seng Bank Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
13.	Hongkong Electric	25 000 contracts in any	5 000 contracts in any

	Holdings Ltd. stock options contract	one expiry month	one expiry month
14.	The Hong Kong & China Gas Co. Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
15.	Hysan Development Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
16.	New World Development Co., Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
17.	The Wharf (Holdings) Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
18.	Wheelock and Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
19.	Cathay Pacific Airways Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
20.	Hang Lung Development Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
21.	Henderson Investment Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
22.	Johnson Electric Holdings Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
23.	Shangri-La Asia Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
24.	Sino Land Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
25.	South China Morning Post (Holdings) Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
26.	Television Broadcasts Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
27.	Cheung Kong Infrastructure Holdings Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
28.	China Resources Enterprise, Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
29.	COSCO Pacific Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
30.	Shanghai Industrial Holdings Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month

31. China Merchants Holdings (International) Co. Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
32. China Mobile (Hong Kong) Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
33. Tracker Fund of Hong Kong stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
34. Legend Holdings Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
35. Pacific Century CyberWorks Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
36. China Petroleum & Chemical Corporation stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
37. China Unicom Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
38. Dah Sing Financial Holdings Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
39. Guoco Group Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
40. Hong Kong Exchanges and Clearing Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
41. Li & Fung Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
42. MTR Corporation Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
43. PetroChina Co. Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
44. Wing Hang Bank, Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
45. Yue Yuen Industrial (Holdings) Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month

Chairman,  
Securities and Futures  
Commission

2002

## **Explanatory Note**

These Rules are made by the Securities and Futures Commission under section 35(1) of the Securities and Futures Ordinance (No. 5 of 2002). They prescribe the limits on the number of specified futures contracts and stock options contracts which may be held or controlled by any person in any one contract month or expiry month, respectively, unless that person has an express authorization from a recognized exchange company. The Rules also prescribe the number of such futures contracts or stock options contracts above which a person is required to report his holding or control to a recognized exchange company.