

L.N. 117 of 2011

Securities and Futures (Contracts Limits and Reportable Positions) (Amendment) Rules 2011

(Made by the Securities and Futures Commission under section 35(1) of the Securities and Futures Ordinance (Cap. 571))

1. Commencement

These Rules come into operation on 25 November 2011.

2. Securities and Futures (Contracts Limits and Reportable Positions) Rules amended

The Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap. 571 sub. leg. Y) are amended as set out in section 3.

3. Schedules 1 and 2 substituted

Schedules 1 and 2—

Repeal the Schedules

Substitute

“Schedule 1

[ss. 2(1) & 5(a)]

**Prescribed Limit and Reporting Level for Futures
Contracts**

| Item | Futures contract | Prescribed limit | Reporting level |
|------|---|---|---|
| 1. | Stock futures contracts on shares listed on a stock market operated by the Stock Exchange Company | 5 000 open contracts for any one contract month | 1 000 open contracts for any one contract month |
| 2. | 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 |
| 3. | 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 |

Securities and Futures (Contracts Limits and Reportable Positions) (Amendment)
Rules 2011

B3507

Section 3

L.N. 117 of 2011

| Item | Futures contract | Prescribed limit | Reporting level |
|------|---|--|---|
| 4. | Hang Seng Index futures and options contracts, and Mini-Hang Seng Index futures contracts and options 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 or Mini-Hang Seng Index options contracts shall not at any time exceed 2 000 long or short for all contract months combined | 500 open Hang Seng Index futures contracts for any one contract month; 500 open Hang Seng Index options contracts for any one series; 2 500 open Mini-Hang Seng Index futures contracts for any one contract month and 2 500 open Mini-Hang Seng Index options contracts for any one series |

Securities and Futures (Contracts Limits and Reportable Positions) (Amendment)
Rules 2011

B3509

Section 3

L.N. 117 of 2011

| Item | Futures contract | Prescribed limit | Reporting level |
|------|---|---|--|
| 5. | Hang Seng China Enterprises Index futures contracts and options contracts, and Mini-Hang Seng China Enterprises Index futures contract | 12 000 long or short position delta limit for all contract months combined, provided the position delta for the Mini- Hang Seng China Enterprises Index futures contracts shall not at any time exceed 2 400 long or short for all contract months combined | 500 open Hang Seng China Enterprises Index futures contracts for any one contract month; 500 open Hang Seng China Enterprises Index options contracts for any one series and 2 500 open Mini-Hang Seng China Enterprises Index futures contracts for any one contract month |
| 6. | Hang Seng China H-Financials Index futures contract | 10 000 long or short position delta limit for all contract months combined | 500 open contracts for any one contract month |
| 7. | Gold futures contract | Nil | 500 open contracts for any one contract month |

Securities and Futures (Contracts Limits and Reportable Positions) (Amendment)
Rules 2011

B3511

Section 3

L.N. 117 of 2011

| Item | Futures contract | Prescribed limit | Reporting level |
|------|--|--|--|
| 8. | Three Year Exchange Fund Note (EFN) futures contract | 5 000 open contracts for any one contract month except that the limit for the spot month contract during the last 6 trading days is 1 000 open contracts | 1 000 open contracts for any one contract month except that the reportable position for the spot month contract during the last 6 trading days is 200 open contracts |
| 9. | FTSE/Xinhua China 25 Index futures and options contracts | 6 000 long or short position delta limit for all contract months combined | 500 open FTSE/Xinhua China 25 Index futures contracts for any one contract month and 500 open FTSE/Xinhua China 25 Index options contracts for any one series |
| 10. | HSI Dividend Point Index futures contract | Nil | 1 000 open contracts for any one contract month |
| 11. | HSCEI Dividend Point Index futures contract | Nil | 1 000 open contracts for any one contract month |

Schedule 2

[ss. 2(1) & 5(b)]

**Prescribed Limit and Reporting Level for Stock
Options Contracts**

| Item | Stock options contract | Prescribed limit | Reporting level |
|------|---|---|--|
| 1. | Stock options contracts on shares listed on a stock market operated by the Stock Exchange Company | 50 000 open contracts per option class in any one market direction for all expiry months combined | 1 000 open contracts per option class per expiry month |
| 2. | Tracker Fund of Hong Kong stock options contract | 50 000 open contracts per option class in any one market direction for all expiry months combined | 1 000 open contracts per option class per expiry month |
| 3. | iShares FTSE A50 China Index ETF stock options contract | 50 000 open contracts per option class in any one market direction for all expiry months combined | 1 000 open contracts per option class per expiry month |

Securities and Futures (Contracts Limits and Reportable Positions) (Amendment)
Rules 2011

B3515

Section 3

L.N. 117 of 2011

| Item | Stock options contract | Prescribed limit | Reporting level |
|------|--|---|---|
| 4. | W.I.S.E. – CSI 300 China Tracker stock options contract | 50 000 open contracts per option class in any one market direction for all expiry months combined | 1 000 open contracts per option class per expiry month”. |

Alexa LAM
Acting Chief Executive Officer,
Securities and Futures Commission

4 July 2011

Explanatory Note

Under section 35(1) of the Securities and Futures Ordinance (Cap. 571), the Securities and Futures Commission may prescribe limits on the number of futures contracts and options contracts that may be held or controlled by any person. It may also prescribe the reportable positions in respect of such contracts.

2. Those limits and reportable positions are established and fixed for the futures contracts and stock options contracts specified respectively in Schedules 1 and 2 to the Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap. 571 sub. leg. Y). Schedule 1 is amended by adding 2 new dividend point index futures contracts and Schedule 2 is amended by adding 2 new stock options contracts. Items in both Schedules are also renumbered for tidiness sake.