

Markets

OTC derivatives

In July, OTC Clearing Hong Kong Limited launched an enhanced bulk settlement system for trades with notional exchanges such as cross currency swaps, following our June approval of related rule changes. In August, we approved a proposal to expand the scope of cleared trades by extending the maximum residual terms of interest rate products.

Derivatives contracts

We approved 10 derivatives contracts proposed by Hong Kong Exchanges and Clearing Limited (HKEX) to meet the trading and hedging needs of market participants.

New derivatives products

	Trading commencement date
USD London Metal Mini Futures <ul style="list-style-type: none"> ▪ USD London Aluminium Mini Futures ▪ USD London Zinc Mini Futures ▪ USD London Copper Mini Futures ▪ USD London Nickel Mini Futures ▪ USD London Tin Mini Futures ▪ USD London Lead Mini Futures 	5 August 2019
Weekly Index Options <ul style="list-style-type: none"> ▪ Weekly Hang Seng Index Options ▪ Weekly Hang Seng China Enterprises Index Options 	16 September 2019
Indian Rupee Currency Futures <ul style="list-style-type: none"> ▪ Indian Rupee vs Renminbi (Hong Kong) Futures ▪ Indian Rupee vs US Dollar Futures 	4 November 2019

ATS providers

	As at 30.09.2019	As at 31.03.2019	Change (%)	As at 30.09.2018	YoY change (%)
Under Part III	49	50	-2	47 [#]	4.3
Under Part V	25	24	4	25	0

[#] The number of ATS providers, some of which have more than one authorisation. In previous reports, the number given indicated the number of authorisations.

¹ Under the SFO, two regimes regulate ATS providers. Typically, those that offer facilities similar to those of a traditional exchange or a clearing house are authorised under Part III of the SFO. Intermediaries which provide dealing services with ATS as an added facility are licensed under Part V of the SFO.

Investor compensation

In October, we released consultation conclusions on proposed enhancements to the investor compensation regime. Key proposals included raising the compensation limit from \$150,000 to \$500,000 per investor per default and covering northbound trading under Mainland-Hong Kong Stock Connect.

Automated trading services

As of 30 September, the number of automated trading services (ATS)¹ providers authorised under Part III of the Securities and Futures Ordinance (SFO) was 49, while 25 corporations, including 15 dark pool operators, were licensed under Part V of the SFO to provide ATS.