

L.N. 228 of 2015

Securities and Futures (Contracts Limits and Reportable Positions) (Amendment) Rules 2015

(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 15 January 2016.

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 sections 3, 4 and 5.

3. Section 2 amended (interpretation)

Section 2(1)—

Add in alphabetical order

“*constitutive documents* (組成文件), in relation to a collective investment scheme, means the principal documents governing the establishment of the scheme;

exchange traded fund (交易所買賣基金) means an open-ended collective investment scheme the shares or units of which are listed or traded on a recognized stock market;

offering document (要約文件), in relation to a collective investment scheme, means a document—

- (a) inviting participation in the scheme by prospective shareholders or prospective unit holders of the scheme; and
- (b) containing information relating to the establishment or administration of the scheme;

open-ended collective investment scheme (開放式集體投資計劃) means a collective investment scheme the shares or units of which may be repurchased or redeemed at the request of any of its shareholders or unit holders—

- (a) at a price calculated wholly or mainly by reference to the net asset value of the scheme; and
- (b) in accordance with the frequency for repurchase or redemption, requirements and procedures set out in the offering document or constitutive documents of the scheme;”.

4. Schedule 1 amended (prescribed limit and reporting level for futures contracts)

Schedule 1—

Add

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| “14. | London Copper Mini futures contract | 50 000 net long or short contracts for all contract months combined | 500 open contracts for any one contract month |
| 15. | London Aluminium Mini futures contract | 25 000 net long or short contracts for all contract months combined | 500 open contracts for any one contract month |

Section 5

| | | | |
|-----|---|---|---|
| 16. | London Zinc Mini futures contract | 25 000 net long or short contracts for all contract months combined | 500 open contracts for any one contract month |
| 17. | Stock futures contracts on shares or units of exchange traded funds | 5 000 open contracts for any one contract month | 1 000 open contracts for any one contract month”. |

5. Schedule 2 amended (prescribed limit and reporting level for stock options contracts)

(1) Schedule 2—

Repeal item 2

Substitute

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|-----|---|---|--|
| “2. | Stock options contracts on shares or units of exchange traded funds | 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”. |
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(2) Schedule 2—

Repeal items 3 and 4.

Ashley ALDER
Chief Executive Officer,
Securities and Futures Commission

17 November 2015

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 specified in Schedule 1 to the Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap. 571 sub. leg. Y) (**Rules**) and for the stock options contracts specified in Schedule 2 to the Rules.
3. For the purpose of introducing to Schedules 1 and 2 to the Rules contracts on shares or units, of open-ended collective investment schemes, listed or traded on a recognized stock market, definitions of *exchange traded fund* and related expressions are added to section 2(1) of the Rules.
4. Schedule 1 to the Rules is amended by adding 3 commodity futures contracts as well as all stock futures contracts on shares or units of exchange traded funds.
5. Schedule 2 to the Rules is amended by deleting 3 existing stock options contracts on exchange traded funds and adding all stock options contracts on shares or units of exchange traded funds.