

Notice regarding HKEX Large Open Position (LOP) Reporting Requirements and
Client Responsibilities

Dear Clients,

We would like to remind all clients to comply with HKEX Large Open Position (LOP) reporting requirements. Clients should understand the rules of LOP reporting and ensure their trading activities comply with the regulations.

Any person who holds or controls a reportable position must lodge a notice in writing of that reportable position with the exchange. No person may hold or control futures contracts or options contracts in excess of the prescribed limits except as otherwise authorized.

Clients may refer to Annex I for detailed information on large open positions and position limits to gain a better understanding of the relevant regulations.

For omnibus account clients, please be aware of Sections 4.6, 7.11, and 7.12 of the SFC "Guidelines on Position Limits and Large Open Position Reporting Requirements" for relevant provisions. Please see Annex II for details.

Please contact your Account Manager if you have any queries.

Yuanta Futures (HK) Co., Limited

Annex I

Links to Rules

Cap. 571Y Securities and Futures (Contracts Limits and Reportable Positions) Rules

https://www.elegislation.gov.hk/hk/cap571Y!en-zh-Hant-HK?INDEX_CS=N

SFC - Guidance Note on Position Limits and Large Open Position Reporting Requirements

https://www.sfc.hk/-/media/EN/assets/components/codes/files-current/web/guidance-note-on-position-limits-and-large-open/Guidance-Note-on-Position-Limits-and-Large-Open-Position-Reporting-Requirements_ENG_20231222.pdf?rev=c6ba9c9c7b104df19acee8f85b4016d2

HKEX - Large Open Positions and Position Limits

https://www.hkex.com.hk/Services/Trading/Derivatives/Overview/Trading-Mechanism/Large-Open-Positions-and-Position-Limits?sc_lang=en

Annex II

Relevant Provisions of the SFC "Guidelines on Position Limits and Large Open Position Reporting Requirements"

4.6. In the event that a person holds or controls a reportable position in accounts at more than one agent, the person should have the sole responsibility to notify the Exchange of the reportable position. If the person decides to submit the notice of the reportable position to the Exchange through the agents, it should provide to one agent with its total positions held at other agents so that the agent can submit the notice of the reportable position to the Exchange on its behalf. Alternatively, the person can ask all agents to separately report positions in each of the accounts to the Exchange even though positions in the individual accounts may not exceed the reportable level.

7.11. In the case of an omnibus account, the Rules apply separately to the positions held by each of the underlying clients of the omnibus account except where the omnibus account operator has discretion over the positions. For this reason, positions held by different underlying clients should not be netted off for purposes of calculating and reporting reportable positions or determining compliance with the prescribed limits.

7.12. If an underlying client of the omnibus account holds or controls a reportable position, the omnibus account operator should inform the HKFE or SEHK (as the case may be) of such reportable position. An omnibus account operator can notify the Exchange of the reportable positions by itself or ask its agent (e.g. an Exchange Participant) carrying the account to submit the notice of reportable positions. The notice of reportable positions should be accompanied by the information about identities of the underlying clients whose positions have exceeded the reportable level.