

**L.N. 232 of 2005**

**SECURITIES AND FUTURES (CONTRACTS LIMITS AND  
REPORTABLE POSITIONS) (AMENDMENT)  
(NO. 2) RULES 2005**

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

**1. Commencement**

These Rules shall come into operation on 10 February 2006.

**2. Prescribed limit and reporting level for futures contracts**

(1) Schedule 1 to the Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap. 571 sub. leg. Y) is amended by repealing items 1 to 37 and substituting—

“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

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| 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 |
| 5. | Hang Seng China Enterprises Index futures contracts   | 6 000 open contracts for any one contract month  | 500 open contracts for any one contract month   |
| 6. | Hang Seng China Enterprises Index options contracts   | 6 000 open contracts for any one series  | 500 open contracts for any one series   |

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| 7. | 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 |
| 8. | 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”.      |

(2) Schedule 1 is amended by repealing items 40 to 127.

### 3. Prescribed limit and reporting level for stock options contracts

Schedule 2 is amended by repealing items 1 to 66 and substituting—

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| “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 |
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| 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”. |
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Martin WHEATLEY  
Chairman,  
Securities and Futures Commission

13 December 2005

### **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. The purpose of these Rules is to amend Schedules 1 and 2 to the Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap. 571 sub. leg. Y) to standardize the prescribed limits and reporting levels of all stock options contracts on shares listed on a stock market in Hong Kong and to remove the prescribed limits and reporting levels of the delisted futures contracts.