

18<sup>th</sup> January 2013

Clerk to Panel on Financial Affairs  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear Sir/Madam,

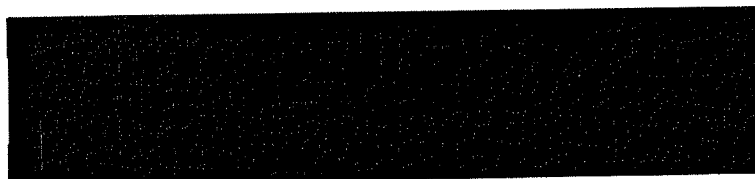
**Re: Proposal of Hong Kong Exchanges and Clearing Limited ("HKEx") to Introduce After-hours Futures Trading**

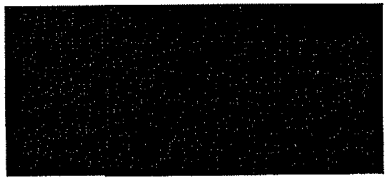
As the Legislative Council Panel on Financial Affairs will have a meeting on 28<sup>th</sup> January 2013 to discuss HKEx's proposal on after-hours futures trading, on behalf of [REDACTED], I would like to submit our view for the Panel's consideration.

[REDACTED] supports HKEx's proposal to introduce after-hours futures trading as it will help to expand the brokerage business of our members. We also note that there are client demands for managing their risk exposures during night time in response to events or news in the European or US time zones. Our members that have been operating night desk to support clients' trading of overseas futures products have adequate risk management measures and funding arrangements in managing risk exposures of their clients. We believe after-hours futures trading can help us bring more trading business to Hong Kong which will benefit the Hong Kong futures brokerage industry as a whole.

We believe HKEx's proposed price limit +/-5% for after-hours futures trading is appropriate for guarding against potential excessive price movement. Major overseas derivatives markets, such as CME, SGX, ASX and OSE have been offering after hours futures trading for years without liquidity or financial stability issues. Hong Kong will lose out in the global competition especially in various global asset classes such as foreign exchange, including RMB, and commodities, if Hong Kong cannot support long hours trading covering the European and the US time zones.

However, before implementation, we suggest procedures are in place at HKEx to mitigate certain market and operational risks in the event of emergency. Also, our Regulators have adequate measures in place to detect and prevent market manipulation.





Yours faithfully,

(signed)

p.s. Please withhold our name and submission from publication

