



21 January 2013

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

Copied to: Hon. Starry Lee Wai-king, JP, Chairman  
Hon. Chan Kin-por, BBS, JP, Deputy Chairman

Dear Ms. Szeto:

**RE: Expression of Support for Hong Kong Exchanges and Clearing (HKEx)  
Proposal to Introduce After-Hours Futures Trading (AHFT)**

This letter is submitted in reference to the Legislative Council Panel on Financial Affairs' special meeting to discuss after-hours futures trading (AHFT) proposed by the HKEx. As an interested industry representative group we would like to express our support for HKEx's proposal and outline our members' position in more detail.

The Asia Securities Industry & Financial Markets Association (ASIFMA) is an independent association that promotes the development of liquid, efficient and transparent capital markets in Asia and facilitates their orderly integration into the global financial system. ASIFMA priorities are driven by over 40 member companies involved in Asian capital markets, including global and regional banks, securities dealers, brokers, asset managers, credit rating agencies, law firms, trading and analytic platforms, and clearance and settlement providers.<sup>1</sup>

We believe the AHFT initiative will be an important step to improve upon the development of efficient capital markets in Hong Kong. Currently, overnight risk exposures are unable to respond to market events in the European or US time zones. By introducing AHFT risk efficiencies will be optimized with no adverse effects on liquidity or market stability.

When considering Hong Kong's potential for further integration into the global financial system we note that AHFT is commonplace in regional and overseas derivatives markets, such as; the Australian Securities Exchange (ASX), Singapore Exchange (SGX), Chicago Mercantile Exchange (CME), Eurex Exchange (EX) and the Osaka Securities Exchange (OSE). We view Hong Kong's entry into afterhours

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<sup>1</sup>ASIFMA is located in Hong Kong and works closely with global alliance partners: the Global Financial Markets Association (GFMA), the Securities Industry and Financial Markets Association (SIFMA) and the Association for Financial Markets in Europe (AFME). More information about ASIFMA can be found at: [www.asifma.org](http://www.asifma.org).

trading as a positive and natural evolution of Hong Kong's financial markets. Additionally, AHFT will ensure commensurate trading capabilities when compared to other global marketplaces.

Thank you for your kind consideration of this letter of support on behalf of the Asia Securities Industry & Financial Markets Association.

Sincerely,



Mark Austen  
Chief Executive Officer  
Asia Securities Industry and Financial Markets Association