

L.N. 115 of 2011

Securities and Futures (Levy) (Amendment) Order 2011

(Made by the Chief Executive in Council under section 394 of the Securities and Futures Ordinance (Cap. 571))

1. Commencement

This Order comes into operation on 18 November 2011.

2. Securities and Futures (Levy) Order amended

The Securities and Futures (Levy) Order (Cap. 571 sub. leg. Z) is amended as set out in section 3.

3. Part 4 added

After Part 3—

Add

“Part 4

**Levy Payable in respect of Sale and Purchase of
Futures Contracts Described in Section 394(1)(c)
of Ordinance**

14. Application of Part 4

This Part applies in relation to a sale and purchase of a futures contract traded by means of authorized automated trading services.

15. Futures contracts traded by means of authorized automated trading services

- (1) Subject to subsections (2) and (3), for the purposes of section 394(1)(c) of the Ordinance, the levy payable for a sale and purchase of a futures contract traded by means of authorized automated trading services provided by Hong Kong Mercantile Exchange Limited—
 - (a) is payable by the seller and purchaser; and
 - (b) is—
 - (i) in the case of the seller, \$0.60; or
 - (ii) in the case of the purchaser, \$0.60.
- (2) For the purposes of section 394(1)(c) of the Ordinance, the levy payable for a sale and purchase of a futures contract traded by means of authorized automated trading services provided by a person other than Hong Kong Mercantile Exchange Limited is nil.
- (3) During the period of 6 months commencing on the first day of trading in a futures contract by means of authorized automated trading services, the levy payable under subsection (1) by the seller and purchaser for the sale and purchase of the futures contract is nil.
- (4) If a sale and purchase of a futures contract traded by means of authorized automated trading services occurs before the commencement date of the Securities and Futures (Levy) (Amendment) Order 2011 (L.N. 115 of 2011)—
 - (a) subsection (3) does not have the effect of specifying a rate or an amount of levy on that sale and purchase; and
 - (b) in calculating a period of 6 months for the purposes of subsection (3), regard may be had to any period of trading conducted before that date.”.

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B3485

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Manda CHAN
Clerk to the Executive Council

COUNCIL CHAMBER

28 June 2011

Explanatory Note

The purpose of this Order is to amend the Securities and Futures (Levy) Order (Cap. 571 sub. leg. Z) by adding a new Part 4 to impose, for the purposes of section 394(1)(c) of the Securities and Futures Ordinance (Cap. 571), a levy payable to the Securities and Futures Commission (*Commission*) in respect of a sale and purchase of futures contracts traded by means of authorized automated trading services (ATS).

2. The effect of this Order is that a levy of \$0.60 on each of the seller and purchaser is payable in respect of a sale and purchase of a futures contract traded by means of authorized ATS provided by Hong Kong Mercantile Exchange Limited (*HKMEx*). However, the levy of \$0.60 is exempted for a period of 6 months commencing on the first day of trading in the futures contract by means of authorized ATS provided by HKMEx. The levy payable is nil if the futures contract is traded by means of authorized ATS provided by other operators.