Detailed Trading Rules of China Financial Futures Exchange for CSI 500 Index Futures Contract

(Adopted on March 27, 2015; amended for the first time on August 3, 2015; amended for the second time on January 1, 2016; amended for the third time on January 8, 2016; amended for the fourth time on March 31, 2017; amended for the fifth time on December 28, 2018)

Chapter I  General Provisions

Article 1 These Detailed Trading Rules are formulated in accordance with the Trading Rules of China Financial Futures Exchange and related implementation rules thereof for the purpose of regulating the trading of CSI 500 Index futures contracts (hereinafter the “Contract”) on China Financial Futures Exchange (hereinafter the “Exchange”).

Article 2 The Exchange, members, clients, futures margin depository banks and other futures market participants shall comply with these Detailed Trading Rules.

Article 3 Any matter not provided for herein shall be governed by other applicable rules of the Exchange.

Chapter II  Contract

Article 4 The underlying instrument of the Contract is the CSI 500 Index compiled and released by China Securities Index Co., Ltd.
Article 5 The value of a stock index futures contract equals the futures index points multiplying the contract multiplier. For this Contract, the multiplier is RMB 200 per point.

Article 6 The Contract is quoted in index points.

Article 7 The tick size of the Contract is 0.2 index point. Quotations for the Contract shall be integer multiples of 0.2 index points.

Article 8 The contract months of the Contract are the current month, the next month and the subsequent two quarter-ending months. Quarter-ending months refer to March, June, September and December.

Article 9 The last trading day, which is also the delivery day, of the Contract is the third Friday in its expiring month. In the event that the Contract is not traded on the last trading day as it falls on a public holiday or due to abnormal market conditions, among other reasons, the last trading day as well as the delivery day shall be postponed to the next trading day.

A new contract of the next contract month shall be listed on the trading day following the delivery day of the expired contract.

Article 10 The product code of the Contract is IC.

Chapter III Trading

Article 11 The Contract adopts call auction trading and continuous auction trading.
The call auction runs from 9:25 to 9:30 on each trading day. Orders shall be submitted between 9:25 and 9:29 and matched between 9:29 and 9:30.

The continuous auction runs on each trading day from 9:30 to 11:30 (morning session) and from 13:00 to 15:00 (afternoon session).

Chapter IV Clearing and Settlement

Article 12 The settlement price of the Contract on a given trading day is the volume-weighted average price of all trades in the Contract executed during the last hour of trading on said trading day, rounded to one decimal place.

Article 13 The settlement price of the Contract on a given day shall serve as the basis for calculating the profit and loss on the Contract for that day in accordance with the following formula:

Profits or losses on a given trading day = \{ \Sigma [ (an order’s sell price – current trading day’s settlement price) \times volume sold] + \Sigma [ (current trading day’s settlement price – an order’s buy price) \times volume bought] + (previous trading day’s settlement price – current trading day’s settlement price) \times (short positions as of the end of the previous trading day – long positions as of the end of the previous trading day) } \times contract multiplier

Article 14 The rate of transaction fee for the Contract shall be specified separately by the Exchange.
**Article 15** The final settlement price of the Contract is the arithmetic average price of the underlying Index during the last two trading hours on the last trading day, rounded to two decimal places.

**Article 16** The Contract is cash-settled.

**Article 17** The delivery fee for the Contract is 0.01% of the delivery amount.

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**Chapter V  Risk Management**

**Article 18** The minimum trading margin requirement for the Contract is 8% of its contract value.

**Article 19** The circuit breaker mechanism applies to this Contract.

(1) Circuit breaker is triggered at two thresholds, which are 5% and 7% of the CSI 300 Index as compiled and released by China Securities Index Co., Ltd. (“benchmark index”).

(2) If the benchmark index moves less than ±5% compared with market close on the preceding trading day, the price fluctuation limit of the Contract on the current day shall be ±5% of the settlement price of the preceding trading day.

(3) If the benchmark index moves, for the first time, by ±5% or more compared with market close on the preceding trading day, the circuit breaker shall be triggered for the Contract with a 12-minute trading halt, during which orders cannot be submitted or cancelled. The trading halt is followed by a 3-minute call auction for order placement, after which the newly submitted orders are matched
instantly. The Contract shall subsequently resume continuous auction trading with its maximum daily price fluctuation limit in the direction of index movement taking effect immediately.

In the event that the benchmark index touches the aforementioned ±5% threshold during the pre-open call auction, the Contract shall enter the 12-minute trading halt at 9:30.

If the 12-minute trading halt does not elapse entirely by the end of the morning session, the remainder shall be filled when the afternoon session begins.

If the circuit breaker is triggered 12 to 15 minutes before the end of the morning session, the trading halt shall be extended to the end of the morning session. In this case, the afternoon session shall begin with the 3-minute call auction for order placement followed by order matching, after which the Contract shall subsequently switch to continuous auction trading.

(4) If the benchmark index moves, for the first time on a trading day, by ±7% or more compared with its previous close, or hits the aforementioned ±5% threshold for the first time on that trading day within 15 minutes before market close, trading in the Contract shall be halted till market close on the current day.

(5) The circuit breaker mechanism does not apply in the afternoon session on the last trading day of the Contract. If, at the end of the morning session, trading of the Contract is halted due to a triggered circuit breaker or suspended, the afternoon session shall begin with the 3-minute call auction for order placement followed by order matching, after which the Contract shall subsequently switch
to continuous auction trading with the limit up/down mechanism taking effect immediately.

**Article 20** The maximum daily price fluctuation limit of the Contract refers to its daily price limit up/down, which is ±10% of its settlement price from the preceding trading day.

On the last trading day of the contract in the expiring month, the range of limit up/down of this contract shall be ±20% of its settlement price from the preceding trading day.

The Exchange shall have the right to adjust the range of limit up/down based on market risk conditions.

**Article 21** The position limit rule applies to the Contract.

(1) The position limit shall be 1,200 lots per contract on either long or short;

(2) If the total one-sided positions in a particular Contract exceed 100,000 lots after settlement on a given trading day, the one-sided positions in the said Contract held by any clearing member on the next trading day shall not exceed 25% of the Contract’s total one-sided positions on the same side.

Positions held for hedging and arbitrage purposes shall be governed by relevant applicable rules of the Exchange.
Chapter VI Supplementary Provisions

Article 22 Violations of these Detailed Trading Rules shall be handled by the Exchange in accordance with the Measures of China Financial Futures Exchange on Dealing with Violations and Breaches.

Article 23 The power to interpret these Detailed Trading Rules shall be vested in the Exchange.

Article 24 These Detailed Trading Rules shall come into effect as of January 2, 2019.