

# Detailed Trading Rules of China Financial Futures Exchange for CSI 300 Index Futures Contract

(Adopted on August 30, 2013; first amended on September 1, 2014; second amended on April 10, 2015; third amended on August 3, 2015; fourth amended on January 1, 2016; fifth amended on January 8, 2016; sixth amended on March 31, 2017; seventh amended 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 its detailed implementation rules for the purpose of regulating the trading of CSI 300 Index futures contract (the “Contract”) on China Financial Futures Exchange (the “Exchange”).

**Article 2** The Exchange, members, clients, 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 index of the Contract is the CSI 300 Index compiled and released by China Securities Index Co., Ltd.

**Article 5** The contract multiplier of the Contract is RMB 300 per index point. The value of an equity index futures contract is the product of the index point multiplied by the contract multiplier.

**Article 6** The Contract shall be quoted in index points.

**Article 7** The tick size of the Contract is 0.2 index points. Quotations for the Contract shall be in 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 quarterly months of the March, June, September, and December cycle.

**Article 9** The last trading day of the Contract, which is also the delivery day, is the third Friday of its expiry month. Where the last trading day is a public holiday or trading of the Contract is suspended on that day for extraordinary situations or other reasons, the last trading day as well as the delivery day shall be postponed to the following 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 IF.

### **Chapter III Trading**

**Article 11** The Contract is traded through opening auction and continuous trading.

The opening auction runs from 9:25 a.m. to 9:30 a.m. each trading day. Orders shall be submitted between 9:25 a.m. and 9:29 a.m., and are matched between 9:29 a.m. and 9:30 a.m.

Continuous trading runs each trading day from 9:30 a.m. to 11:30 a.m. (first session) and from 1:00 p.m. to 3:00 p.m. (second session).

### **Chapter IV Clearing**

**Article 12** The settlement price of the Contract on a given trading day is the volume weighted average price (VWAP) of the Contract during the last trading hour on that day, rounded to one decimal place.

**Article 13** The settlement price of the Contract on a given trading day shall be the basis for calculating the profit and loss on the Contract for that day. The specific formula is:

Profit or loss on a given trading day = {  $\Sigma$  [ (execution price of sell orders – current day's settlement price)  $\times$  contracts sold] +  $\Sigma$  [ (current day's settlement price – execution price of buy orders)  $\times$  contracts bought] + (preceding trading day's settlement price – current trading day's settlement price)  $\times$  (short positions as of the end of the preceding trading day – long positions as of the end of the preceding trading day) }  $\times$  contract multiplier.

**Article 14** Fee standards for the Contract shall be separately specified 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.

### **Chapter V Risk Management**

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

**Article 19** The Contract is subject to circuit breaker.

- (1) Circuit breaker levels are set at 5% and 7% in reference to the CSI 300 Index as compiled and released by China Securities Index Co., Ltd. ("benchmark index").
- (2) If the benchmark index moves less than  $\pm 5\%$  compared with market close on the preceding trading day, the limit up/limit down of the Contract on the current day shall be  $\pm 5\%$  of the settlement price of the preceding trading day.
- (3) If the benchmark index moves, for the first time on a trading day, by  $\pm 5\%$  or more compared with the market close on the preceding trading day, circuit breaker shall be triggered for the Contract with a 12-minute trading halt, during which no order may

be submitted or canceled. 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 trading with its limit up/limit down in the direction of index movement taking effect immediately.

In the event that the benchmark index hits the aforementioned  $\pm 5\%$  threshold during the opening auction, the Contract shall enter the 12-minute trading halt at 9:30 a.m.

If trading halts for less than 12 minutes by the end of the first session, the remainder shall be filled when the second session begins.

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

- (4) If the benchmark index moves, for the first time on a trading day, by  $\pm 7\%$  or more compared with its previous close, or hits the aforementioned  $\pm 5\%$  threshold for the first time on that trading day within 15 minutes before market close, trading in the Contract shall be halted until market close on the current day.
- (5) Circuit breaker does not apply in the second session on the last trading day of the Contract. If, at the end of the first session, trading of the Contract is halted due to circuit breaker or trading suspension, the second session shall begin with a 3-minute call auction for order placement followed by order matching, after which the Contract shall switch to continuous trading with the limit up/limit down taking effect immediately.

**Article 20** The limit up/limit down of the Contract is  $\pm 10\%$  of the preceding trading day's settlement price.

On the last trading day of an expiring Contract, the limit up/limit down shall be  $\pm 20\%$  of the preceding trading day's settlement price.

The Exchange has the right to adjust the limit up/limit down based on the market risk conditions.

**Article 21** The Contract is subject to position limits.

- (1) The position limit for a client shall be 5,000 lots per Contract either long or short;
- (2) If the open interest in a particular Contract exceeds 100,000 lots after settlement on a particular trading day, the long or short positions in such Contract held by a Clearing Member on the next trading day shall not exceed 25% of the open interest in the Contract.

Positions held for hedging and arbitrage purposes shall be governed by the relevant rules of the Exchange.

## **Chapter VI Ancillary Provisions**

**Article 22** Any violation 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 Exchange reserves the right to interpret these Detailed Trading Rules.

**Article 24** These Detailed Trading Rules shall come into effect on January 2, 2019.