

# 2016 H2 Trading Incentive Program for Institutional Investors

## 1. Programs Purpose

To encourage institutional investors to trade more actively, TAIFEX offer reduced exchange trading and clearing fees by way of rebates.

## 2. Program Term

Effective from July 1, 2016 until December 31, 2016.

## 3. Eligible Contracts

- TAIEX Futures(TX), Mini-TAIEX Futures(MTX), Electronic Sector Index Futures(TE), Finance Sector Index Futures(TF), Taiwan 50 Futures(T5F), GreTai Securities Market Stock Index Futures(GTF), and Non-Finance Non-Electronics Sub-Index Futures(XIF).
- TAIEX Options (TXO).
- Single Stock Futures.
- ETF Futures.
- ETF Options.
- USD/CNT FX Futures (RTF) and USD/CNH FX Futures (RHF).
- TOPIX Futures.

## 4. Eligible Participants

- Institutional client accounts of TAIFEX brokerage members (include sub-accounts under disclosed omnibus accounts, exclude approved RMB FX Futures non-proprietary market maker accounts) and TAIFEX proprietary trading accounts (exclude approved TAIFEX market maker accounts).

## 5. Application Process

- Those wishing to apply for the Program should fill up the application form, including registering accounts<sup>1</sup>, fax or mail to TAIFEX, and register on line:

---

<sup>1</sup> Participant is allowed to participate through more than one trading account and the trading volume of the registered accounts will be aggregated.

<https://report.taifex.com.tw/FMS/login.html> to complete the process. Non-member institutional clients should apply through their brokers.

- No registrations are required for those who already participated in the 2016 Q2 Program.
- Those wishing to participate from July should complete the applications before July 15, 2016. Those who do not complete the applications before July 15, 2016, the accumulations of qualifying volumes start from the next trading day after applications.

## 6. Rebate Schemes

### Part I : Index Futures

Rebate thresholds: Average daily trading volume of Index futures exceeds 2,500 lots in any given calendar month.

Tiers for rebate:

Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	2,500-3,999	5%
2	<u>4,000-7,999</u>	<u>12%</u>
3	<u>8,000-24,999</u>	<u>18%</u>
4	<u>25,000-34,999</u>	25%
5	<u>35,000-54,999</u>	30%
6	<u>&gt;=55,000</u>	35%

Example:

Client A applied for the program through Broker X(direct account) and Broker Y(sub-account under a disclosed omnibus account) respectively, A's trading volume in a calendar month are as follows:

- (1) The average daily trading volume at Broker X and Broker Y are 9,000 lots (MTX is 2,500 lots and others are 6,500 lots) and 5,000 lots (MTX is 1,000 lots

and others are 4,000 lots) respectively. The average daily trading volume of Client A's two accounts totaled 14,000 lots. Based on Tier 3 of the scheme, A's rebates for each account are NT\$580,500 and NT\$333,000 respectively.

Participant accounts	Index Futures	Average daily trading volume (lots)	Monthly Trading Volume (lots)	Rebates (NTD)	Total (NTD)
Broker X	MTX	2,500	50,000	$50,000 \times 12.5 \times 18\% = 112,500$	580,500
	Other Index Futures	6,500	130,000	$130,000 \times 20 \times 18\% = 468,000$	
Broker Y	MTX	1,000	20,000	$20,000 \times 12.5 \times 18\% = 45,000$	333,000
	Other Index Futures	4,000	80,000	$80,000 \times 20 \times 18\% = 288,000$	
Total		14,000	280,000		913,500

## Part II : TAIEX Options

Rebate thresholds: Average daily trading volume of TAIEX options exceeds 5,000 lots in any given calendar month.

Tiers for rebate:

Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	5,000-6,499	5%
2	6,500-8,499	<u>12%</u>
3	8,500- <u>39,999</u>	<u>18%</u>
4	<u>40,000-79,999</u>	25%
5	<u>80,000-99,999</u>	30%
6	<u><math>\geq 100,000</math></u>	35%

Example:

Client A applied for the program through Broker X and Broker Y respectively, A's trading volume in a calendar month are as follows:

(2) The average daily trading volume of Client A's direct and sub-account under a disclosed omnibus account are 10,000 and 17,500 lots respectively. Based on Tier 3 of the scheme, A's rebates for each account are NT\$360,000 and NT\$630,000 respectively.

Participant accounts	Average daily trading volume (lots)	Monthly Trading Volume (lots)	Rebates (NTD)
Broker X	10,000	200,000	$200,000 \times 10 \times 18\% = 360,000$
Broker Y	17,500	350,000	$350,000 \times 10 \times 18\% = 630,000$
Total	27,500	550,000	NT\$ 990,000

### Part III : Single Stock Futures

Rebate thresholds: Average daily trading volume of Single Stock Futures exceeds 600 lots in any given calendar month.

Tiers for rebate:

Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	600-1,199	20%
2	1,200-2,399	30%
3	2,400-3,499	40%
4	3,500-4,999	50%
5	$\geq 5,000$	60%

Example:

Client A applied for the program through Broker X and Broker Y respectively, A's trading volume in a calendar month are as follows:

(3) The average daily trading volume of Client A's direct and sub-account under a disclosed omnibus account are 2,400 and 600 contracts respectively. Based on Tier 3 of the scheme, A's rebates for each account are NT\$96,000 and NT\$24,000 respectively.

Participant accounts	Average daily trading volume (lots)	Monthly Trading Volume (lots)	Rebates (NTD)
Broker X	2,400	48,000	$48,000 \times 5 \times 40\% = 96,000$
Broker Y	600	12,000	$12,000 \times 5 \times 40\% = 24,000$
Total	3,000	60,000	NT\$ 120,000

#### Part IV : ETF Futures

Rebate thresholds: Average daily trading volume of ETF Futures exceeds 100 lots in any given calendar month.

Tiers for rebate:

Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	100-249	20%
2	250-499	30%
3	500-999	40%
4	1,000-1,999	60%
5	$\geq 2,000$	80%

Example:

Client A applied for the program through Broker X and Broker Y respectively, A's trading volume in a calendar month are as follows:

(4) The average daily trading volume of Client A's direct and sub-account under a disclosed omnibus account are 200 and 100 contracts respectively. Based on Tier 2 of the scheme, A's rebates for each account are NT\$15,000 and NT\$7,500 respectively.

Participant accounts	Average daily trading volume (lots)	Monthly Trading Volume (lots)	Rebates (NTD)
Broker X	200	4,000	$4,000 \times 12.5 \times 30\% = 15,000$
Broker Y	100	2,000	$2,000 \times 12.5 \times 30\% = 7,500$

Total	300	6,000	NT\$ 22,500
-------	-----	-------	-------------

### Part V : ETF Options

Rebate thresholds: Average daily trading volume of ETF Options exceeds 10 lots in any given calendar month.

Tiers for rebate:

Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	<u>10-24</u>	<u>40%</u>
2	<u>25-49</u>	<u>50%</u>
3	<u>50-99</u>	<u>60%</u>
4	<u>100-149</u>	<u>70%</u>
5	<u>&gt;=150</u>	<u>80%</u>

Example:

Client A applied for the program through Broker X and Broker Y respectively, A's trading volume in a calendar month are as follows:

(5) The average daily trading volume of Client A's direct and sub-account under a disclosed omnibus account are 50 and 25 contracts respectively. Based on Tier 3 of the scheme, A's rebates for each account are NT\$6,000 and NT\$3,000 respectively.

Participant accounts	Average daily trading volume (lots)	Monthly Trading Volume (lots)	Rebates (NTD)
Broker X	50	1,000	$1,000 \times 10 \times 60\% = 6,000$
Broker Y	25	500	$500 \times 10 \times 60\% = 3,000$
Total	75	1,500	NT\$ 9,000

### Part VI: USD/CNT FX Futures(RTF) and USD/CNH FX Futures(RHF)

Rebate thresholds: Average daily trading volume of RTF and RHF exceeds 10 lots in any given calendar month.

Tiers for rebate:

Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	10-24	40%
2	25-49	50%
3	50-99	60%
4	100-149	70%
5	>=150	80%

Example:

Client A applied for the program through Broker X, A's trading volume in a calendar month are as follows:

(6) The average daily trading volume of Client A's direct account is 120 contracts (RTF is 100 lots and RHF is 20 lots). Based on Tier 4 of the scheme, A's rebates on RTF and RHF are NT\$7,000 and NT\$6,720 respectively.

Participant accounts	RTF/RHF	Average daily trading volume (lots)	Monthly Trading Volume (lots)	Rebates (NTD)
Broker X	RTF	100	2,000	$2,000 \times 5 \times 70\% = 7,000$
	RHF	20	400	$400 \times 24 \times 70\% = 6,720$

## Part VII: TOPIX Futures

Rebate thresholds: Average daily trading volume of TOPIX Futures exceeds 10 lots in any given calendar month.

Tiers for rebate:

Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	<u>10-24</u>	<u>40%</u>
2	<u>25-49</u>	<u>50%</u>
3	<u>50-99</u>	<u>60%</u>

Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
4	<u>100-149</u>	<u>70%</u>
5	<u>&gt;=150</u>	<u>80%</u>

Example:

Client A applied for the program through Broker X and Broker Y respectively, A's trading volume in a calendar month are as follows:

(7) The average daily trading volume of Client A's direct and sub-account under a disclosed omnibus account are 20 and 10 contracts respectively. Based on Tier 2 of the scheme, A's rebates for each account are NT\$1,600 and NT\$800 respectively.

Participant accounts	Average daily trading volume (lots)	Monthly Trading Volume (lots)	Rebates (NTD)
Broker X	20	400	$400 \times 8 \times 50\% = 1,600$
Broker Y	10	200	$200 \times 8 \times 50\% = 800$
Total	30	600	NT\$ 2,400

## 7. Method for Rebate

- Rebates are calculated on a calendar month basis and will be deducted from the accrued Index Futures, TAIEX Options(TXO) trading/clearing fees for the participating month.
- Trading fee rebates will refund to the brokers first then to the eligible participants. Clearing fee rebates will refund to the clearing member then to the brokers and the eligible participants accordingly.
- Information of rebates will be posted at <https://report.taifex.com.tw/FMS/login.html>. Participants can check with its brokers for details.

## 8. Miscellaneous

- Any self-match volume will not be aggregated once found. Participants will be disqualified if not abide by related rules or contracts.
- Trading volume will not be aggregated if any incorrect information in the application is identified.
- Transactions executed through FCM's backup accounts will not be included in the calculation of the qualifying trading volume.
- TAIFEX reserves the rights to explain and amend the terms of the Program should there any matters not mentioned herein.
- TAIFEX reserves the rights in its absolute discretion to cancel, terminate, amend or suspend the Program. Such news will be announced on TAIFEX website. No individual notice will be given.
- Should any discrepancy between the Chinese version and the English Translation exist, the Chinese text shall govern.
- For more information, please refer to TAIFEX website([www.taifex.com.tw](http://www.taifex.com.tw))
- For any question, please contact Trading Department  
Ms. Meg Chiu (TEL: 886-2-2366-3136 ; [megchiu@taifex.com.tw](mailto:megchiu@taifex.com.tw))  
Mr. Leon Chiao(TEL: 886-2-2366-3121 ; [leon@taifex.com.tw](mailto:leon@taifex.com.tw))

# Taiwan Futures Exchange

## Application Form - 2016 Trading Incentive Program for Institutional Investors (Non-Omnibus Accounts)

<b>Company Name</b>	
<b>FINI ID</b>	
<b>Trading Accounts</b>	1. FCM ID _____ Account _____ 2. FCM ID _____ Account _____ 3. FCM ID _____ Account _____
<b>Apply Contracts</b>	<input type="checkbox"/> Index Futures <input type="checkbox"/> TAIEX Options <input type="checkbox"/> Single Stock Futures <input type="checkbox"/> ETF Futures <input type="checkbox"/> ETF Options <input type="checkbox"/> USD/CNT FX Futures (RTF) and USD/CNH FX Futures (RHF) <input type="checkbox"/> TOPIX Futures
<b>Contact Information</b>	<b>Name :</b>
	<b>TEL :</b>
	<b>E-mail :</b>
<b>Authorized Trader</b>	<b>Signature :</b>
	<b>Date :</b>

**TAIFEX Fax Number : +886 2 2369-3689**

