

2018 Q1 Trading Incentive Program for Institutional Investors

1. Programs Purpose

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

2. Program Term

Effective from January 1, 2018 until March 31, 2018.

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).
- USD/CNT FX Futures (RTF) and USD/CNH FX Futures (RHF).
- USD/CNT FX Options (RTO) and USD/CNH FX Options (RHO).
- EUR/USD FX Futures (XEF).
- USD/JPY FX Futures (XJF).
- DJIA Futures (UDF)
- S&P 500 Futures (SPF)
- Single Stock Futures.
- ETF Futures.
- ETF Options.
- TOPIX Futures(TJF).
- Nifty 50 Futures (I5F).
- Gold Futures (GDF) 、 NT Dollar Gold Futures (TGF) 、 Gold Options (TGO).

4. Eligible Participants

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

5. Application Process

- Those wishing to apply for the Program should fill up the application form, including registering accounts¹, mail to TAIFEX, and register on line: <https://report.taifex.com.tw/FMS/login.html> to complete the process. Non-member institutional clients should apply through their brokers. Approved registration will be enrolled for both regular trading session and after-hours trading session.
- No registrations are required for those who already participated in the 2017 Q4 Program.
- Those wishing to participate from January should complete the applications before January 15, 2018. Those who do not complete the applications before January 15, 2018, the accumulations of qualifying volumes start from the next trading day after applications.

6. Rebate Schemes

Part I : Index Futures

Rebate thresholds:

- Regular trading session : Average daily trading volume of Index futures² exceeds 2,000 lots in any given calendar month.
- After-hours trading session : Average daily trading volume of Index futures³ exceeds 30 lots in any given calendar month.
- A higher tier of reduction rate for regular trading session will be applied when the daily average after-hours trading volume of an institutional investor accounts for more than 8% of its own daily average regular trading volume of one month.

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

² Daily average trading volume of TX, TE, TF, T5F, GTF, XIF and MTX during regular trading session.

³ Daily average trading volume of TX and MTX during after-hours trading session.

Tiers for rebate:

Regular trading session					After-hours trading session		
Tier	Reduction rate of exchange trading fee and clearing fee				Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
	Average Daily Trading Volume (lots)	After-hours trading daily Avg. accts for regular trading daily Avg.					
		< <u>8%</u>	<u>≥ 8%</u> , <u>< 20%</u>	<u>≥ 20%</u>			
1	2,000-3,499	5%	10%	15%	1	30-59	12%
2	3,500-5,999	12%	15%	21%	2	60-199	18%
3	6,000-19,999	18%	21%	27%	3	200-399	25%
4	20,000-34,999	25%	27%	32%	4	400- <u>999</u>	30%
5	35,000-49,999	30%	32%	37%	5	<u>1,000-4,999</u>	35%
6	>=50,000	35%	37%	40%	6	>= <u>5,000</u>	40%

Part II : TAIEX Options

Rebate thresholds:

- Regular trading session : Average daily trading volume of TAIEX options exceeds 3,000 lots in any given calendar month.
- After-hours trading session : Average daily trading volume of TAIEX options exceeds 45 lots in any given calendar month.
- A higher tier of reduction rate for regular trading session will be applied when the daily average after-hours trading volume of an institutional investor accounts for more than 5% of its own daily average regular trading volume of one month.

Tiers for rebate:

Regular trading session					After-hours trading session		
Tier	Reduction rate of exchange trading fee and clearing fee				Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
	Average Daily Trading Volume (lots)	After-hours trading daily Avg. accts for regular trading daily Avg.					
		< 5%	≥ 5% , < 10%	≥ 10%			
1	3,000-4,999	5%	8%	12%	1	45-89	10%
2	5,000-6,999	10%	13%	17%	2	90-179	15%
3	7,000-9,999	15%	18%	22%	3	180-499	20%
4	10,000-39,999	20%	25%	32%	4	500-1,199	30%
5	40,000-99,999	30%	33%	37%	5	1,200-7,999	35%
6	>=100,000	35%	37%	40%	6	>=8,000	40%

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

Rebate thresholds:

- Regular trading session : Average daily trading volume of RTF and RHF exceeds 10 lots in any given calendar month.
- After-hours trading session : No threshold requirement.

Tiers for rebate:

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

Part IV : Part VII: USD/CNT FX Options (RTO) and USD/CNH FX Options (RHO)

Rebate thresholds:

- Regular trading session : Average daily trading volume of RTO and RHO exceeds 5 lots in any given calendar month.
- After-hours trading session : No threshold requirement.

Tiers for rebate:

Regular trading session			After-hours trading session	
Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee	Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	5-9	60%	All Trading Volumes	60%
2	>=10	80%		

Part V : EUR/USD FX Futures (XEF)

Rebate thresholds:

- Regular trading session : Average daily trading volume of XEF exceeds 5 lots in any given calendar month.
- After-hours trading session : No threshold requirement.

Tiers for rebate:

Regular trading session			After-hours trading session	
Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee	Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	5-9	60%	All Trading Volumes	60%
2	>=10	80%		

Part VI: USD/JPY FX Futures (XJF)

Rebate thresholds:

- Regular trading session : Average daily trading volume of XJF exceeds 5 lots in any given calendar month.
- After-hours trading session : No threshold requirement.

Tiers for rebate:

Regular trading session			After-hours trading session	
Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee	Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	5-9	60%	All Trading Volumes	60%
2	>=10	80%		

Part VII: DJIA Futures (UDF)

Rebate thresholds:

- Regular trading session : Average daily trading volume of UDF exceeds 10 lots in any given calendar month.
- After-hours trading session : Average daily trading volume of UDF exceeds 50 lots in any given calendar month.

Tiers for rebate:

Regular trading session			After-hours trading session	
Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee	<u>Average Daily Trading Volume (lots)</u>	Reduction rate of exchange trading fee and clearing fee
1	<u>10-49</u>	<u>60%</u>	<u>50-99</u>	<u>40%</u>
2	<u>50-99</u>	<u>70%</u>	<u>100-499</u>	<u>50%</u>
3	<u>>=100</u>	<u>80%</u>	<u>>=500</u>	<u>60%</u>

Part VIII: S&P 500 Futures (SPF)

Rebate thresholds:

- Regular trading session : Average daily trading volume of SPF exceeds 5 lots in any given calendar month.
- After-hours trading session : No threshold requirement.

Tiers for rebate:

Regular trading session			After-hours trading session	
Tier	Average Daily Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee	Trading Volume (lots)	Reduction rate of exchange trading fee and clearing fee
1	5-9	60%	All Trading	60%

2	>=10	80%	Volumes	
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Part IX: Single Stock Futures

Rebate thresholds:

- Regular trading session : Average daily trading volume of Single Stock Futures exceeds 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	500-1,199	20%
2	1,200- <u>3,499</u>	30%
3	<u>3,500-5,999</u>	<u>50%</u>
4	<u>6,000-7,999</u>	60%
5	>= <u>8,000</u>	80%

Part X: ETF Futures

Rebate thresholds:

- Regular trading session : 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- <u>1,499</u>	60%
5	>= <u>1,500</u>	80%

Part XI: ETF Options

Rebate thresholds:

- Regular trading session : 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	10-24	40%
2	25-49	50%
3	50-99	60%
4	100-149	70%
5	≥ 150	80%

Part XII: TOPIX Futures(TJF)

Rebate thresholds:

- Regular trading session : Average daily trading volume of TJF 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%

Part XIII: Nifty 50 Futures (I5F)

Rebate thresholds:

- Regular trading session : Average daily trading volume of I5F exceeds 5 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	5-9	60%
2	≥ 10	80%

Part XIV: Gold Futures (GDF) 、NT Dollar Gold Futures (TGF) 、Gold Options (TGO)

Rebate thresholds:

- Regular trading session : Average daily trading volume of GDF 、TGF and TGO exceeds 5 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	5-9	60%
2	≥ 10	80%

7. Example

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

Eligible Contracts	Average daily trading volume/Monthly Trading Volume(lots)		Daily Avg. Volume:After-hours trading /regular trading	Reduction rate of Regular trading session	Reduction rate of After-hours trading session	Rebates (NTD)
	Regular trading session	After-hours trading session				
Index Futures	MTX:1,500/30,000 TX:3,000/60,000 Others:500/10,000	MTX:200/4,000 TX:250/5,000	10%	15%	30%	MTX:(30,000×12.5×15%)+(4,000×12.5×30%)=71,250 TX:(60,000×20×15%)+(5,000×20×30%)=210,000 Others:10,000×20×15% = 30,000
TAIEX Options	10,000/200,000	200/4,000	2%	20%	20%	(200,000×10×20%)+(4,000×10×20%)=408,000
RTF& RHF	RTF:20/400 RHF:10/200	RTF:5/100 RHF:2/40	N/A	50%	60%	RTF:(400×5×50%)+(100×5×60%)=1,300 RHF:(200×24×50%)+(40×24×60%)=2,976
RTO& RHO	RTO:50/1,000 RHO:0/0	RTO:10/200 RHO:0/0	N/A	80%	60%	(1,000×5×80%)+(200×5×60%)=4,600
XEF	20/400	6/120	N/A	80%	60%	(400×8×80%)+(120×8×60%)=3,136
XJF	6/120	0/0	N/A	60%	0%	120×8×60%=576
UDF	40/800	200/4,000	N/A	60%	50%	(800×8×60%)+(4,000×8×50%)=19,840
SPF	8/160	3/60	N/A	60%	60%	(160×8×60%)+(60×8×60%)=1,056

Single Stock Futures	600/12,000	N/A	N/A	20%	N/A	$12,000 \times 5 \times 20\% = 12,000$
ETF Futures	300/6,000	N/A	N/A	30%	N/A	$6,000 \times 12.5 \times 30\% = 22,500$
ETF Options	80/1,600	N/A	N/A	60%	N/A	$1,600 \times 10 \times 60\% = 9,600$
TJF	120/2,400	N/A	N/A	70%	N/A	$2,400 \times 8 \times 70\% = 13,440$
I5F	8/160	N/A	N/A	60%	N/A	$160 \times 12.5 \times 60\% = 1,200$
GDF、TGF& TGO	GDF:5/100 TGF:10/200 TGO:15/300	N/A	N/A	80%	N/A	GDF: $100 \times 10 \times 80\% = 800$ TGF: $200 \times 10 \times 80\% = 1,600$ TGO: $300 \times 5 \times 80\% = 1,200$
Total (NTD)						815,074

8. Method for Rebate

- Rebates are calculated on a calendar month basis and will be deducted from the accrued 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.

9. 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 TAIEX website(www.taifex.com.tw)
- For any question, please contact Trading Department
Mr. Yu Sheng Lin (TEL: 886-2-2366-3285 ; yushenglin@taifex.com.tw)
Mr. Leon Chiao(TEL: 886-2-2366-3121 ; leon@taifex.com.tw)

Taiwan Futures Exchange

Application Form - **2018** Trading Incentive Program for Institutional Investors (Non-Omnibus Accounts)

Company Name	
FINI ID	
Trading Accounts	1. FCM ID _____ Account _____ 2. FCM ID _____ Account _____ 3. FCM ID _____ Account _____
Apply Contracts	<input type="checkbox"/> Index Futures <input type="checkbox"/> TAIEX Options <input type="checkbox"/> RTF and RHF <input type="checkbox"/> RTO and RHO <input type="checkbox"/> EUR/USD FX Futures (XEF) <input type="checkbox"/> USD/JPY FX Futures (XJF) <input type="checkbox"/> DJIA Futures (UDF) <input type="checkbox"/> S&P 500 Futures (SPF) <input type="checkbox"/> Single Stock Futures <input type="checkbox"/> ETF Futures <input type="checkbox"/> ETF Options <input type="checkbox"/> TOPIX Futures (TJF) <input type="checkbox"/> Nifty 50 Futures (I5F) <input type="checkbox"/> Gold Futures (GDF) 、 NT Dollar Gold Futures (TGF) 、 Gold Options (TGO)
Contact Information	Name :
	TEL :
	E-mail :
Authorized Trader	Signature : Date :

TAIFEX email : yushenglin@taifex.com.tw ; leon@taifex.com.tw

Taiwan Futures Exchange

Application Form - **2018** Trading Incentive Program for Institutional Investors (Omnibus Accounts)

Omnibus Account	Company Name	
	FINI ID	
	Trading Accounts	FCM ID _____ Account _____
Sub-Account (Institutional Investor)	Company Name	
	FINI ID	
Apply Contracts	<input type="checkbox"/> Index Futures <input type="checkbox"/> TAIEX Options <input type="checkbox"/> RTF and RHF <input type="checkbox"/> RTO and RHO <input type="checkbox"/> EUR/USD FX Futures (XEF) <input type="checkbox"/> USD/JPY FX Futures (XJF) <input type="checkbox"/> DJIA Futures (UDF) <input type="checkbox"/> S&P 500 Futures (SPF) <input type="checkbox"/> Single Stock Futures <input type="checkbox"/> ETF Futures <input type="checkbox"/> ETF Options <input type="checkbox"/> TOPIX Futures (TJF) <input type="checkbox"/> Nifty 50 Futures (I5F) <input type="checkbox"/> Gold Futures (GDF) 、 NT Dollar Gold Futures (TGF) 、 Gold Options (TGO)	
Contact Information	Name :	
	TEL :	
	E-mail :	
Authorized Trader	Signature :	
	Date :	

TAIFEX email : yushenglin@taifex.com.tw ; leon@taifex.com.tw

Agreement of Personal Information Usage for Registration of Trading Incentive Program for Institutional Investors

I agree that Taiwan Futures Exchange Co., Ltd is authorized to collect, process, and use my personal information after receiving my company's above application form regarding Trading Incentive Program for Institutional Investors.

I agree that Taiwan Futures Exchange Co., Ltd is authorized to collect my personal information but the collection is limited to the name, telephone number, and e-mail address. The time period is limited from whenever I provide the information to 5 years after the end of the incentive program.

I understand that according to the regulation of Article 3 of the Personal Information Protection Act, I have the right to request Taiwan Futures Exchange Co., Ltd for review, duplication, and supplement or correction of my personal information. I also have the right to request Taiwan Future Exchange Co., Ltd to discontinue collection and possessing or usage of my personal information and delete my personal information 5 years after the end of the incentive program.

To: Taiwan Futures Exchange Co., Ltd

Client:

(Signature)
