China Financial Futures Exchange
Non-Display Information Usage Guideline
(For Real Time China Financial Futures Exchange Market Data)

I. PURPOSE

China Financial Futures Exchange (**CFFEX**) introduces the Non-Display Information Usage policy (**NDU Policy**) for usage of Real Time Level-1 or Level-2 market data of all contracts traded on CFFEX (**Real Time CFFEX Information**). China Investment Information Services Limited (**CIIS**) is the authorized overseas agent of CFFEX NDU Policy. This guiding note aims to provide the details and of CFFEX NDU Policy with effective from **1 July 2018**.

II. ELIGIBLE PARTIES

CFFEX NDU Policy requires all Subscribers who receive the Real Time CFFEX Information via Information Vendor's (IV) datafeed service to declare the usage. Any Non-Display Information Usage of Real Time CFFEX Information will be subject to License Fees in addition to the standard subscriber fees.

III. DEFINITION

Trading information for all contracts listed on CFFEX:

Level 1
contract name, delivery month, latest price, price change, volume, open interest, bid price (best offer), ask price (best offer), bid volume (best offer), ask volume (best offer), settlement price, opening price, closing price, highest price, lowest price, previous settlement price, turnover
Level 2
contract name, delivery month, latest price, price change, volume, open interest, bid price (top 5 offers), ask price (top 5 offers), bid volume (top 5 offers), ask volume (top 5 offers), settlement price, opening price, closing price, highest price, lowest price, previous settlement price, turnover

Non-Display Information Usage means an application used for accessing, processing, or consuming the Real Time Information for a purpose other than in support of its display or distribution. Any non-display application that accesses the Real Time Information is defined as Non-Display Information Usage. A device, such as a server, that merely aids in the distribution of the Real Time Information to Subscribers is not regarded as a non-display application for the purpose of assessing fees. Effective from 1 July 2019, non-display applications only subject to datafeed usage fee.

Applications with display information usage are still subject to additional subscriber fee. For the avoidance of doubt, a display application with the ability to alter or control a real time non-display application is subject to additional subscriber fees for display usage.

1. Level-2 information for non-display usage (effective from 1st July 2018)

CATEGORY CFFEX_NDU_1

Any usage of the Real Time CFFEX Level-2 Information for trading, risk management and portfolio management purposes. Trading activities include use of Real Time CFFEX Level-2 Information in electronic trading systems for the purpose of generating orders or executing transactions in an automated and/or semi-automated manner, such as algorithmic trading, program trading or the automated monitoring of trading activities price referencing for the purposes of algorithmic trading and/or smart order routing etc.

CATEGORY CFFEX_NDU_Others

Any Non-Display Information Usage of the Real Time CFFEX Level-2 Information other than Category CFFEX_NDU_1, such as quantitative analysis, compliance, account or audit activities etc.

2. Level-1 information for non-display usage (effective from 1st January 2020)

CATEGORY CFFEX_NDU_1L1

Any usage of the Real Time CFFEX Level-1 Information for trading, risk management and portfolio management purposes. Trading activities include use of Real Time CFFEX Level-1 Information in electronic trading systems for the purpose of generating orders or executing transactions in an automated and/or semi-automated manner, such as algorithmic trading, program trading or the automated monitoring of trading activities price referencing for the purposes of algorithmic trading and/or smart order routing etc.

CATEGORY CFFEX_NDU_OL1

Any Non-Display Information Usage of the Real Time CFFEX Level-1 Information other than Category CFFEX_NDU_1L1, such as quantitative analysis, compliance, account or audit activities etc.

Please note Real Time CFFEX Information is not allowed for Index Creation and derived data with tradable products.

IV. LICENSE FEE

Usage Category	Fee (in USD, Per Annum)
Category CFFEX_NDU_1	**36,000 (Effective from 1st July 2018)**
Category CFFEX_NDU_Others	**6,000 (Effective from 1st July 2018)**
Category CFFEX_NDU_1L1	**24,000 (Effective from 1st January 2020)**
Category CFFEX_NDU_OL1	**4,000 (Effective from 1st January 2020)**

Note:

1. The License Fee is not applicable for individual Subscribers and at least 15 minutes delayed information.

2. If a Subscriber obtained the license of Category CFFEX_NDU_1 and/ or CFFEX_NDU_Others, the Subscriber does not need to declare or pay for Real Time CFFEX Level-1 Information.

3. Total License Fee of different categories is calculated on cumulative basis. For example, if a Subscriber uses the Real Time CFFEX Information Category CFFEX_NDU_1 and CFFEX_NDU_Others, this Subscriber is required to pay US$42,000 per annum (US$36,000 plus US$6,000).

4. If a Subscriber has more than one source, the Subscriber is liable to pay the License Fee once only. For Example, if a Subscriber receives datafeed services from two IVs, and the usage is Category CFFEX_NDU_1, this Subscriber is required to pay US$36,000 per annum.

V. IMPLMENTATION

1. All Eligible Parties are required to complete China Financial Futures Exchange Non-Display Usage Information Sheet (available on CIIS website: www.ciis.com.hk) and send to ndu_cffex@ciis.com.hk. The Information Sheet is a one off declaration and all Eligible Parties shall update the Information Sheet within one month should there be any subsequent changes.

2. All Eligible Parties who use Real Time CFFEX Information for non-display usage purposes are required to enter into direct agreement with CIIS and subject to pay License Fee to CIIS directly.

3. CIIS reserve the right to request the IVs to terminate the datafeed service of Real Time CFFEX Information for Subscribers who do not submit the Information Sheet to CIIS and/or pay the appropriate License Fee as per the due date specified in the invoice.

4. CIIS allows the signed Subscribers claiming back over-paid fees in the form of credit note of future payment if they report for wrong category usage. However, such claiming should be made within six months from the start date of the service. No cash refund shall be made.

5. Subscribers shall declare and pay (if applicable) according to the level of information they received from the IV.

VI. REPORTING

All Eligible Parties who are receiving the Real Time CFFEX Information are required to follow our unit of count policy to report the number of subscriber units to their IVs. All subscriber units permissioned with access right to the Real Time CFFEX Information are required to be reported.

1. **Unit of Count**

All Eligible Parties should report and pay for each subscriber unit, and the unit of count is each instance/access of a unique user ID/an application.

Definition of Subscriber Unit:

For the purpose of calculation of the Subscriber Fee for Real Time CFFEX Information, the number of Subscriber Units refers to:

(i) in the case where end users of the Subscriber is permitted to access the Real Time CFFEX Information via more than one Subscriber Devices concurrently with one login account or password, the maximum number of Subscriber Devices which may access the Real Time CFFEX Information during the month, which is calculated as at the last business day of each month or such other date as agreed by the Licensor. Concurrent access to the Real Time CFFEX Information with one single account or password is permitted only if the Information Control System operated by the Subscriber is capable of recording, tracking, reporting and restricting the number of concurrent accesses made by the end users; or

(ii) in the case where end users of the Subscriber is NOT permitted to access the Real Time CFFEX Information via more than one Subscriber Devices concurrently, the maximum number of end users who may access the Real Time CFFEX Information during the month, which is calculated as at the last business day of each month or such other date as agreed by the Licensor; or

(iii) in the case where the Subscriber allows certain designated Subscriber Devices to be used other than by end users to access the Information, the maximum number of such designated Subscriber Devices which may access the Real Time CFFEX Information during the month, which is calculated as at the last business day of each month or such other date as agreed by the Licensor.

Remarks:

(a)   Simultaneous access by a unique user ID should not be permitted unless the number of simultaneous accesses can be correctly recorded, tracked and reported.

(b)   Reporting and billing are based on the maximum concurrent access permitted. If a unique user ID is able to access the Real Time CFFEX Information via five devices/applications simultaneously, then five subscriber units must be counted and reported.

(c)   Eligible Parties are strictly prohibited to allow any access without capping the maximum of devices/applications (logins) to access the data. If Eligible Parties are unable to control access, CIIS reserve the right to count and bill subscriber units on the basis of reasonable estimates.

Examples

(a)   A Subscriber is allowed to access the Real Time CFFEX Information from an application via one display terminal, then one subscriber unit is counted and reported.

or

(b)   A Subscriber runs three applications, which display Real Time Information, on one display terminal, then three subscriber units are counted and reported.
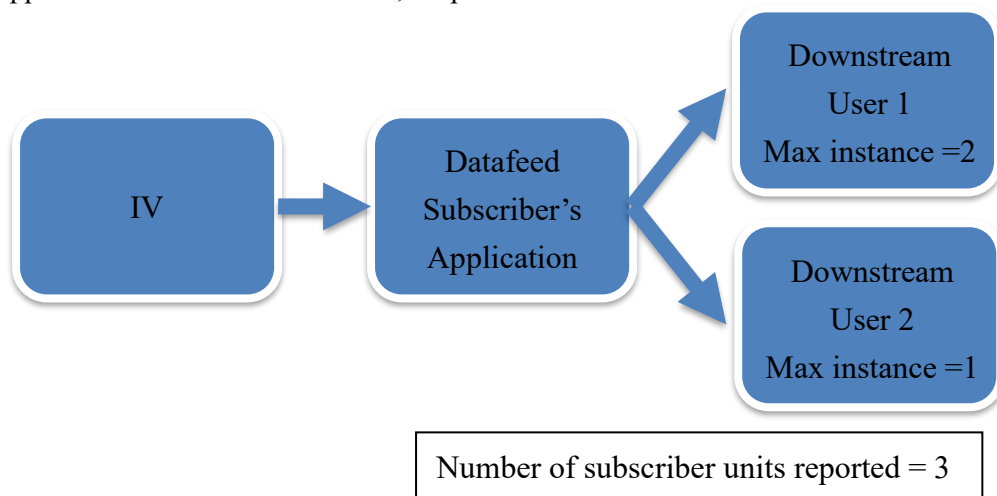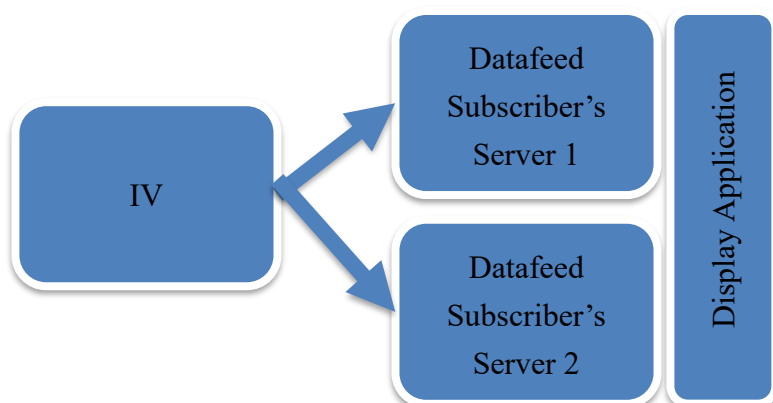

or

(c)   A Subscriber is allowed to access the Real Time Information via one display terminal and portable device at the same time, then two subscriber units are counted and reported.
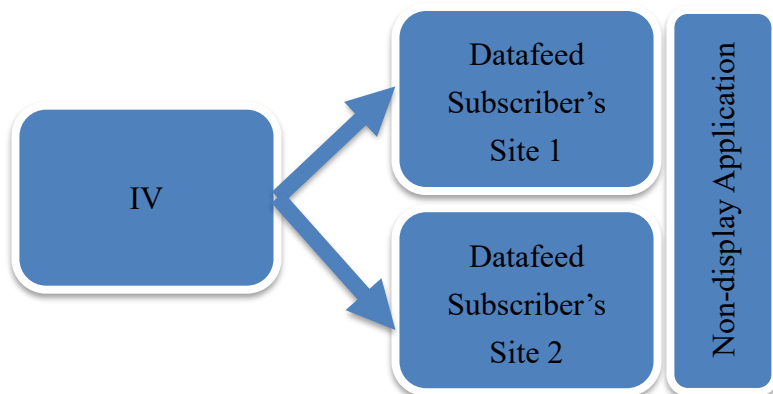
(d)   An application has downstream users, all permitted intsances/accesses of the downstream users are counted and reported.
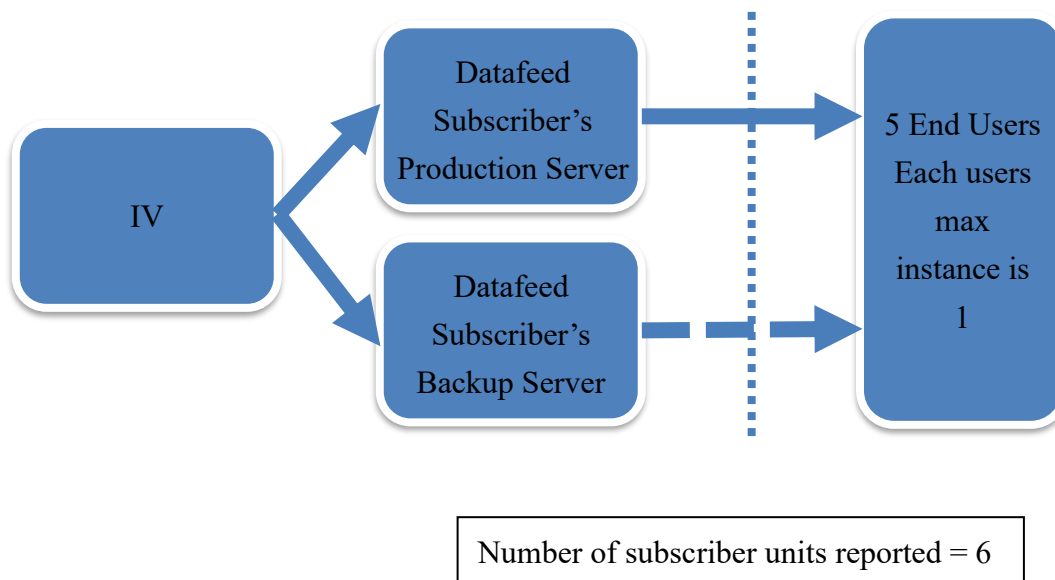

Number of subscriber units reported = 3

(e)   A display application is premitted to access Real Time CFFEX Information, but it does not have downstream users or only proivdes delayed data to downstream users, all permitted intsances/accesses of the applicaion are counted and reported.

(f)   A non-display application is premitted to access Real Time CFFEX Information, all permitted instances/accesses of the applicaion need not to be counted, but IV is still required to report the usage.

(g) Backup/testing/development/disaster recovery server is live and receiving the Real Time Information, the server is counted and reported.

Number of subscriber units reported = 6

2. Backup/Development Server

All backup/development servers are required to be reported, except cold standby server. If production server and backup server run in parallel, all subscriber units must be counted twice.

3. Adjustment

IVs can amend their subscriber reports within six months from the submission date. For Subscribers, they have to send the adjustment to their IVs, while IVs should responsible for the aggregation and send to CIIS together with the normal subscriber report.

CIIS will not refund for any over-reporting however, IVs/Subscribers can use it as credit to offset the coming payments. For any adjustment required after six months, over-reporting is not allowed to be declared while for under-reporting, interest may be imposed.

VII. AUDIT

CIIS has the right to inspect the premises, internal systems and records of all Eligible Parties who have subsisting contract with the IVs in order to establish that they are in full compliance with the Standard Service Agreement and/or Datafeed Usage Agreement. Further, CIIS reserves the right to charge the License Fee together with interest if CIIS establishes, by whatever means, the Real Time CFFEX Information is being used outside the permitted scope.

1. **Audit Purpose**

(a)   Verify whether usage of the Information is reported or declared on a complete and accurate basis.

(b)   Examine whether the correct remuneration has been paid to the CIIS for the Information used by the Eligible Parties.

(c)   Identify potential sources of errors, and reduce potential errors to ensure a correct and efficient reporting in the future.

2. **Audit Period**

The audit period covers 3 years in normal circumstances.

Remarks:

Eligible Parties must retain all books and records necessary to validate the usage of the Information and to accurately calculate fees payable to the CIIS. This includes retaining auditable system logs and other records from the access and entitlement system.

3. **Scope of Audit**

The scope of an audit covers all the subscribed Real Time CFFEX Information for the audit period and shall include the following:

(a)   A full list of all users permissioned to receive the subscribed Real Time CFFEX Information.

(b)   Demonstration of all systems and applications that consume the subscribed Information as well as the processes and systems that control the dissemination of the subscribed Information.

(c)   All records, procedures, processes and systems relevant to the reporting requirements, including but not limited to entitlement records and datafeed access declarations.

(d)   All electronic and paper-based user files or relevant documentation.

(e)   Any additional requests raised by the auditor before and/or during the audit.

4. **Audit Notice**

(a)   CIIS shall give Eligible Parties two months' written notice of the date of audit site visit or the submission date of audit materials, and likely scope of the audit.

(b)   CIIS reserves the right to conduct audits by giving less than one month notice and more than once in a year in the event that a previous audit has revealed any inaccuracy in its record, account or subscriber reports by more than 5%.

(c)   Eligible Parties with justifiable reasons can refuse to have an audit within 15 calendar days after receiving notification. Such a refusal may only be made a maximum of one occasion. The second audit notice made by CIIS must be accepted by the Eligible Parties.

5. Audit Liability and Interest

If underreporting is found in record, account, subscriber reports over the audit period, Eligible Parties shall pay back for the underreported part plus the corresponding interest. The underreported amount is the difference between the amount should have been paid assuming the usage were reported accurately and the amount actually paid. The interest will be charged at different rate (as per the following circumstances referred to) from the original due date up to the end of audit period for the currency of the outstanding amount as at the applicable due date. However, if the Eligible Parties shows a non-cooperative attitude during the audit, the interest will be calculated up to the date the payment is actually received by CIIS.

(a) The monthly interest rate is 2% if the underreporting is less than or equal to 5%;

(b) The monthly interest rate is 4% if the underreporting is greater than 5%.

(c) The interest is compounded monthly

Remarks:

If it is the first time that the underreporting is found and the auditor receives good cooperation from the Eligible Parties during the audit, an interest reduction could be given by reducing the monthly interest rate to 1.25%.

6. Confidentiality

All parties involved in the audit process should comply with the principle of confidentiality. All records and systems inspected in the course of an audit and all audit work papers should be regarded by all parties as strictly confidential.

For more information, please contact CIIS marketing department at ndu_cffex@ciis.com.hk. CIIS reserves the right to change any information in this Guideline at any time without prior notice.