

GLOSSARY OF TECHNICAL TERMS

The glossary of technical terms contains explanations and definitions of certain terms used in this document in connection with us and our business. The terms and their meanings may not correspond to meanings or usage of these terms as used by others.

"Anti-Money Laundering Guideline"	Guidance on Anti-Money Laundering and Counter-Terrorist Financing issued by the SFC and became effective since July 2012
"approved introducing agent"	a licensed corporation approved as such under section 58(4) of the FRR
"bps"	basis points (1 basis point = 0.01%)
"CAGR"	compound annual growth rate, the year-on-year growth rate over a specified period of time
"Code of Conduct"	the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission issued by the SFC, and as amended, supplemented and/or otherwise modified from time to time
"delta"	the ratio of the change in price or theoretical value of a derivative contract with respect to change of price of the underlying asset
"delta one products"	derivatives products that have delta of one or very close to one
"Exchange Traded Funds"	a security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange
"FIA"	Futures Industry Association, a global trade organisation for the futures, options and centrally cleared derivatives markets
"FOA"	Futures and Options Association, now known as Futures Industry Association Europe, was merged along with FIA and Futures Industry Association Asia into a single organisation FIA on 8 January 2016
"FRR"	the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"futures"	a contract obligating the buyer and the seller to sell a specified property at a predetermined price and date

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"futures contract"	a contract or an option on a contract made under the rules or convention of a futures market
"futures market"	a place where facilities are provided for persons to negotiate or conclude sales and purchases of, or for bringing together on a regular basis sellers and purchasers of, futures contracts
"ICG"	Management, Supervision and Internal Control Guidelines for persons licensed by or registered with the Securities and Futures Commission
"licensed corporation"	has the same meaning given by Section 1 of Part 1 of Schedule 1 to the SFO
"Licensed Representative(s)"	an individual who is granted a licence under section 120(1) or 121(1) of the SFO to carry on one or more regulated activities for a licensed corporation to which he/she is accredited
"Interdealer broker"	a brokerage firm that facilitates transactions between institutional clients and financial institutions in relation to a wide range of financial instruments, including listed securities and futures contracts, listed structured products, unlisted fixed income products and OTC derivatives
"Internet"	the global system of interconnected computer networks that use the protocol to link billions of electronic devices worldwide
	[REDACTED]
"IT"	information technology
"MFA"	Managed Funds Association, a global trade association for the hedge and managed futures fund industry
"notional value"	the value of a derivative contract's underlying assets at the spot price. In the case of an option contract, this is the number of units of an asset represented by the contract, multiplied by the spot price of the asset
"open trade order(s)"	trade order(s) placed on the trading system of the exchange for automatic order matching and execution which remains in effect until it is either canceled, executed or expired

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"option"	a contract which gives the holder the right, but not the obligation, to buy or sell a specified asset at a predetermined price and date
"OTC"	over-the-counter
"Professional Investor(s)"	corporates or individuals as ascribed in Part I of Schedule I of SFO
"Responsible Officer(s)"	a Licensed Representative who is also approved as a responsible officer under Section 126 of the SFO to supervise one or more regulated activities of the licensed corporation to which he/she is accredited
"SDD"	simplified customer due diligence