



## Important Notice on SGX MSCI Taiwan Index Futures

### A. Cessation of Trading of SGX MSCI Taiwan Index Futures after the end of T session on 30 October 2020

SGX MSCI Taiwan Index Futures contracts (“MSCI TW”) will be suspended from trading after the end of the T session on 30 October 2020, and will be made dormant thereafter.

For avoidance of doubt, the trading sessions, timings for NLT, and post-trade activities for SGX FTSE Taiwan Index Futures contracts (“FTSE TWN”) **will be business as usual.**

### B. Final Liquidity Switch to be completed by 2 November 2020

The FTSE TWN has seen strong growth momentum, with more than 1.1M contracts (US\$49 billion) traded since launch. This has provided the foundation for strong client and member support for an exchange-facilitated service to transition liquidity from the MSCI TW into the FTSE TWN. Following which, SGX has announced that the **Final Liquidity Switch** from the MSCI TW to the FTSE TWN will be **completed by clearing date 2 November 2020 (Monday).**

SGX has conducted two opt-in liquidity switches in August and September, with another opt-in liquidity switch from 15-17 October prior to the final liquidity switch to ensure process familiarity and smooth operation.

Prior opt-in runs were completed successfully, with 100% fulfillment of all migration requests. The exchange-facilitated liquidity switch is the most cost-efficient way to migrate positions with waiver of exchange fees, essentially mid-point match, no crossing of bid-offer spread and elimination of legging risk.

Majority of market participants have also indicated preference for a definite cut-over date ahead of the US Presidential Election, which enables orderly decision-making by participants.



In executing the Final Liquidity Switch, **SGX will automatically migrate all open positions** in MSCI TW after the end of the T session, and which are not netted off in post-trade, **on 30 October 2020 (Friday)**, to FTSE TWN.

On 30 October 2020 (Friday), SGX will calculate the theoretical Fair Value ("FV") for each contract month of the MSCI TW and the FTSE TWN to derive its Conversion Ratio. The MSCI TW positions will be converted to FTSE TWN positions via a Conversion Ratio. Each contract month shall have its own Conversion Ratio calculated from its corresponding FVs.

All open positions in MSCI TW after the close of the T session on 30 October 2020 (Friday), and which are not netted off in post-trade, will be closed out at the MSCI TW FV. Each contract month shall be closed out at its corresponding FV.

The trades injected to effect the new FTSE TWN positions will be at the FTSE TWN FVs. Each contract month shall be injected at its corresponding FV.

SGX will waive all relevant clearing, licensing, and position transfer fees for the MSCI TW and FTSE TWN in this Final Liquidity Switch.

Market participants who do not wish to participate in the Final Liquidity Switch may close out any open positions in MSCI TW, or perform the switch themselves via open market trading, before the end of the T session on 30 October 2020 in an orderly manner.

**Please contact your SGX Clearing Members or Business Managers if you have any questions or wish to participate in the Final Liquidity Switch.**