



# Inbound One-Stop Solution: Qualified Overseas Intermediary

International Dept. Nanhua Futures      2022.03



**NANHUA  
FUTURES**

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# PART ONE

# About Nanhua





Founded in 1996, Nanhua Futures Co., Ltd. is a leading integrated financial service provider in China. We provide high-quality comprehensive financial services in **Mainland China, Hong Kong, London, Chicago and Singapore.**

## Organization Structure

Nanhua Capital  
(Wholly-owned by Nanhua)

Nanhua Fund  
(Wholly-owned by Nanhua)



HGNH  
International  
Financial  
(Wholly-owned by Nanhua)

- HGNH International Futures Co.
- HGNH International Securities Co.
- HGNH International Asset Management Co.
- HGNH International Financial (SG)
- Nanhua Financial (UK)
- Nanhua USA LLC
- (Wholly-owned by HGNH International Financial)
- HGNH International Asset Management Co. (SG)
- (70% owned by HGNH International Financial)

Contact us: [nhoverseas@nawaa.com](mailto:nhoverseas@nawaa.com)

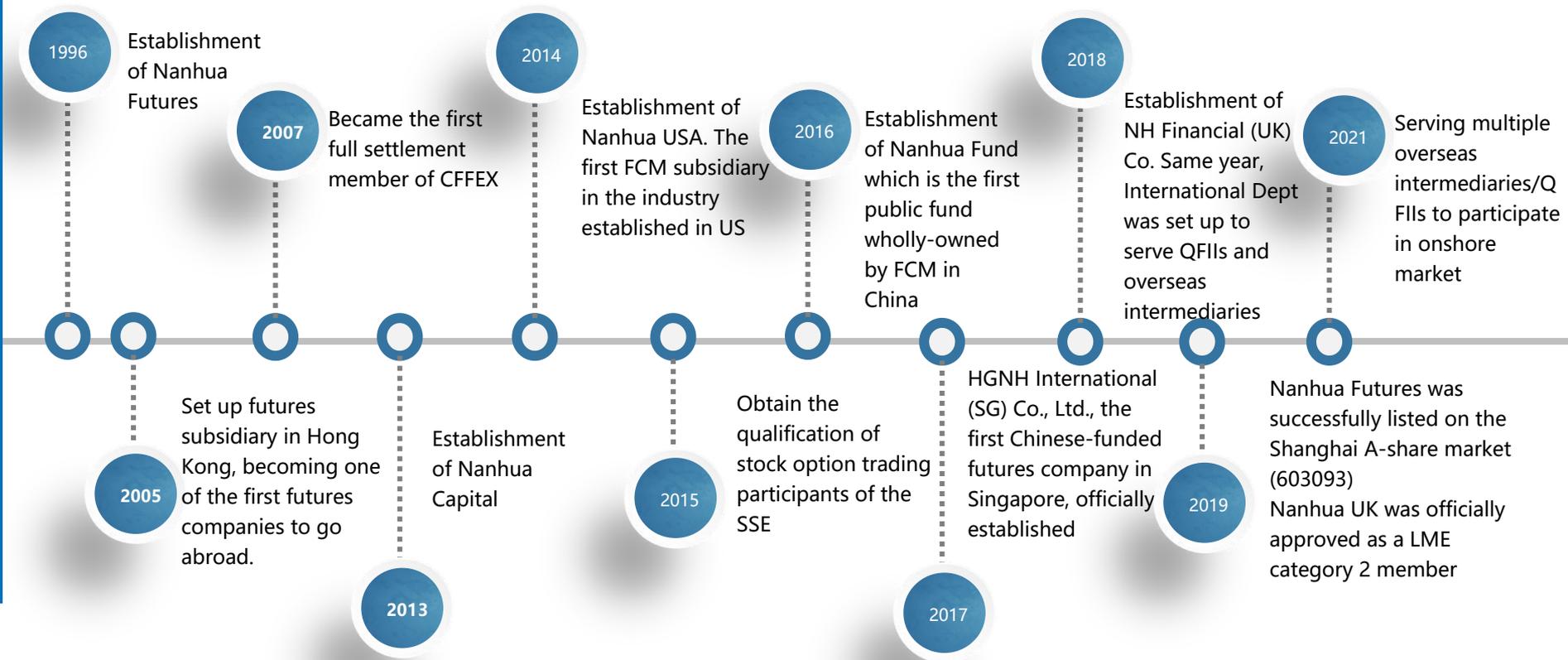
Nanhua Futures provides a global derivatives service and is mainly engaged in commodity and financial futures and options brokerage business, futures investment advisory service, asset management, securities investment fund sale, etc.

|                                    |           |  |
|------------------------------------|-----------|--|
| Clearing Members in Global Markets | UK        | <b>Nanhua Financial (UK) Co Limited (FRN:821609)</b> <ul style="list-style-type: none"> <li>LME Category 2 member</li> </ul>   |
|                                    | USA       | <b>Nanhua USA Investment LLC (NFA ID: 0496874, Registered CPO, CTA)</b><br><b>Nanhua USA LLC (NFA ID: 0466494, Registered FCM)</b> <ul style="list-style-type: none"> <li>CME Group clearing member (CME, CBOT, NYMEX, COMEX);</li> <li>DME clearing member ;</li> <li>ICE US clearing member</li> </ul>               |
|                                    | Singapore | <b>HGNH International Asset Management (Singapore) Co Limited (CMS100920)</b><br><b>HGNH International Financial (Singapore) PTE. Ltd (CMS100651-1)</b> <ul style="list-style-type: none"> <li>APEX trading member and clearing member ;</li> <li>SGX derivatives market trading member and clearing member</li> </ul> |
|                                    | Hong Kong | <b>HGNH International Asset Management (AXY 831)</b><br><b>HGNH International Securities (BBT518)</b><br><b>HGNH International Futures Co. Ltd. (AOU118)</b> <ul style="list-style-type: none"> <li>HKFE Exchange Participant/Futures Commission Merchant ;</li> <li>HKCC Clearing Participant</li> </ul>              |

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# History





# Comprehensive Development of Multi-Businesses



## Onshore Brokerage

- Commodities
- Financial futures
- Stock options



## Risk Management

- OTC derivatives business
- Basis trading
- Market-making



## Wealth Management

- HNW Asset Management
- Public funds raising, selling
- Portfolio managing of public/private funds



## Overseas Financial Service

- Global futures brokerage
- Asset management
- Stockbroker
- Leveraged Forex trading
- Futures Investment Advisory

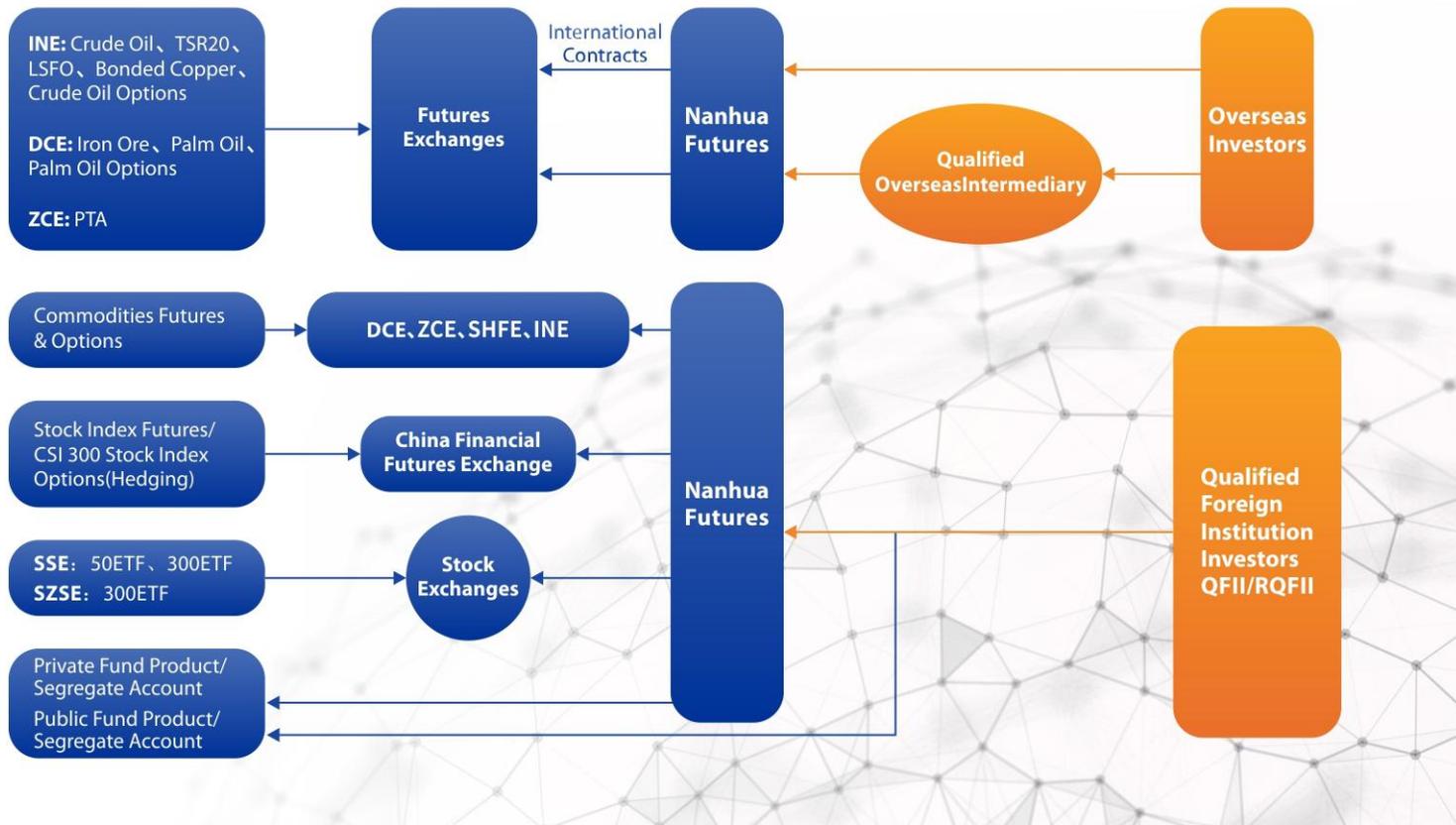


## Inbound

- Access to all internal Exchanges of China via
- QFII expertise
- International futures contracts



# Trading China



Contact us: [nhoverseas@nawaa.com](mailto:nhoverseas@nawaa.com)

# PART TWO

# One-Stop Solution





Contact us: [nhoverseas@nawaa.com](mailto:nhoverseas@nawaa.com)



## Definition

An Overseas Intermediary is an overseas broker that does not trade directly at the Exchange but authorizes a Futures Firm Member or an overseas broker that trade directly at the Exchange to conduct trading and clearing activities.

### ➤ Prerequisites:

- ① Confirmation with the Exchange as an accessible region.
- ② Capital requirements: net capital of not less than RMB 30 million or its equivalent in foreign currency.
- ③ Operational requirements: INE - continuous operation for at least 2 years; DCE, CZCE - continuous operation for at least 1 year.

### ➤ Documents to be provided:

- ① Certificate of incorporation [Notarization + Authentication required]
- ② Tax payment certificate (if applicable) [Notarization required]
- ③ Brokerage business licence [Notarization required]
- ④ Audited financial statements for the last year
- ⑤ Net capital accounting statement and net capital statement commitment letter (Nanhua to assist in completing)
- ⑥ Futures brokerage contract (Template provided by Nanhua)
- ⑦ Board resolution (Template provided by Nanhua)
- ⑧ Copies of identification documents of the personnel involved [Notarisation required]

### Notes.

1. Notarization (original notarised document required): certified by a notary in the applicant's country (region).
2. Authentication (original certified documents are required)
  - (1) Certified by the Chinese embassy or consulate in that country (region).
  - (2) Hong Kong, China: the relevant notarial document is first issued through a commissioned notary public, and then the document is examined and forwarded by China Legal Services (Hong Kong) Limited with a forwarding stamp.
  - (3) Taiwan, China: first notarized by a local notary in Taiwan, then a copy of the notary certificate is forwarded by the SEF to the China Association of Notaries in China or the association of notaries in the relevant province, autonomous region or municipality directly under the Central Government.



# Available Contracts

| Product                              | Crude Oil   | TSR 20   | LSFO                                     | Copper                                   | Crude Oil Options                        | Iron Ore  | Palm Olein                               | Palm Olein Options                       | PTA                                      |
|--------------------------------------|---|--|--|--|--|---|--|--|--|
| Listed Time                          | 03/26/2018  | 08/12/2019   | 06/22/2020                               | 11/19/2020                               | 06/21/2021                               | 05/04/2018  | 12/22/2020                               | 06/18/2021                               | 11/30/2018                               |
| Exchange                             | INE   |  |  |  |  | DCE   |  |  | ZCE                                      |
| Code                                 | SC  | NR   | LU                                       | BC                                       | SC                                       | I   | P  | P  | TA                                       |
| Trading Hours                        | 9:00-11:30<br>13:30-15:00<br>21:00-02:30                  | 9:00-11:30<br>13:30-15:00<br>21:00-23:00             | 9:00-11:30<br>13:30-15:00<br>21:00-23:00 | 9:00-11:30<br>13:30-15:00<br>21:00-01:00 | 9:00-11:30<br>13:30-15:00<br>21:00-02:30 | 9:00-11:30<br>13:30-15:00<br>21:00-23:00          | 9:00-11:30<br>13:30-15:00<br>21:00-23:00 | 9:00-11:30<br>13:30-15:00<br>21:00-23:00 | 9:00-11:30<br>13:30-15:00<br>21:00-23:00 |
| Contract                             | 1000 Barrel   | 10 MT  | 10 MT                                    | 5 MT                                     | 1 lot Crude Oil contract                 | 100 MT  | 10 MT                                    | 1 lot Palm Olein contract                | 5 MT                                     |
| Price Quotation                      | CNY/Barrel  | CNY/MT   |  |  | CNY/Barrel                               | CNY/MT  |  |  |  |
| Margin                               | 10%   | 10%  | 10%                                      | 10%                                      | /  | 12%   | 10%                                      | /  | 7%                                       |
| Position Limit (Delivery Month)      | 500   | 200  | 500                                      | 700                                      | 500                                      | 2000  | 500                                      | 10000                                    | 5000                                     |
| Maximum Number of Lots / Transaction | 500   | 500  | 500                                      | 500                                      | 100                                      | 1000  | 1000                                     | 1000                                     | 1000 (Limit)<br>200(Market)              |
| Related Products                     | Brent Crude Oil (ICE Europe)<br>WTI Crude Oil (CME group) | SICOM TSR20 Futures (SGX )<br>TSR 20 Futures (TOCOM) | SGX LSFO (SGX)                           | LME CU(LME)                              | Brent Crude Oil Options OS((ICE Europe)  | Iron ore Futures (SGX)<br>Iron Ore Futures (HKEX) | BMD Palm Olein (BMD)                     | BMD Palm Olein Options (BMD)             | PX Swap (SGX)                            |

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## Trading systems can be supported

- TT
- CQG
- ATP
- Esunny
- Bloomberg



## Settlement Services

- Format:  
Standardised Statement  
Customised statements
- Method:  
Email  
FTP



## Banks & Cash Remittance Workflow

- NRA Banks: Bank of China, DBS Bank
- Deposit.  
Intermediary Bank Account -  
Intermediary NRA Account -  
Nanhua Margin Account
- Withdrawals.  
Nanhua Margin Account -  
Intermediary NRA Account -  
Intermediary Bank Account



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# Application for Overseas Intermediary and Preparation Process



| Project/Time  | Week 1   | Week 2                 | Week 3                 | Week 4 | Week 5                 | Week 6 | Week 7                 | Week 8 | Week 9                          |
|---|--|------------------------|------------------------|--------|------------------------|--------|------------------------|--------|---------------------------------|
| 1 Pre-Communication   | Nanhua & Potential Intermediary  |                        |                        |        |                        |        |                        |        |                                 |
| 2 Apply for an NRA(Non-resident bank account)                 | Potential Intermediary   |                        |                        |        |                        |        |                        |        |                                 |
| 2 Checklist and Documents to be signed sending                |  | Nanhua                 |                        |        |                        |        |                        |        |                                 |
| 3 Certificate of incorporation + Audited financial statements |  | Potential Intermediary |                        |        |                        |        |                        |        |                                 |
| 4 Net capital accounting statement                            |  | Nanhua                 |                        |        |                        |        |                        |        |                                 |
| 5 First Draft of all the Documents                            |  |                        | Potential Intermediary |        |                        |        |                        |        |                                 |
| 6 Review and Comments   |  |                        |                        |        | Nanhua                 |        |                        |        |                                 |
| 7 Sign and Scan   |  |                        |                        |        | Potential Intermediary |        |                        |        |                                 |
| 8 Final Review  |  |                        |                        |        |                        | Nanhua |                        |        |                                 |
| 9 Paper Mailing   |  |                        |                        |        |                        |        | Potential Intermediary |        |                                 |
| 10 Materials Signing with seal                                |  |                        |                        |        |                        |        |                        | Nanhua |                                 |
| 11 Submission to the Exchange for review                      |  |                        |                        |        |                        |        |                        | Nanhua |                                 |
| 12 Feedback on Exchange Application Results                   |  |                        |                        |        |                        |        |                        |        | Nanhua                          |
| 13 Send and Mail of paper agreements and INE documents        |  |                        |                        |        |                        |        |                        |        | Nanhua                          |
| 14 Completion   | Contact us: <a href="mailto:nhoverseas@nawaa.com">nhoverseas@nawaa.com</a> |                        |                        |        |                        |        |                        |        |                                 |
|   |  |                        |                        |        |                        |        |                        |        | Nanhua & Potential Intermediary |



# Trade Matchmaking Preparation Process

| Project/Time  | Week 1 | Week 2                | Week 3                | Week 4 | Week 5                |
|---|--------|-----------------------|-----------------------|--------|-----------------------|
| 1 Apply for an account for the intermediary   | Nanhua |                       |                       |        |                       |
| 2 Connect bank account to futures trading account   |        | Intermediary          |                       |        |                       |
| 3 FTP creation (configuration of account opening guidelines, settlement samples)  |        | Nanhua                |                       |        |                       |
| 4 Application for virtual machine (configuration of account opening site, bank-futures portal, CTP trading system, FTP) |        | Nanhua                |                       |        |                       |
| 5 Intermediary to provide public IP address(a. Enabling FTP access b. Testing VPN connectivity)                         |        | Nanhua & Intermediary |                       |        |                       |
| 6 Apply for an operator account (Bank-futures account, CTP Trader, CQG, TT, ATP)  |        | Nanhua                |                       |        |                       |
| 7 Notification of password and transfer of agreement  |        | Nanhua                |                       |        |                       |
| 8 Trading system interfacing (CQG, TT, ATP, etc.)   |        | Nanhua & Intermediary |                       |        |                       |
| 9 Agree trading costs and margins?  |        | Nanhua                |                       |        |                       |
| 10 Guidance on applying for trading codes for the client  |        |                       | Nanhua & Intermediary |        |                       |
| 11 Deposit to NRA account - Bank transfer to Nanhua Margin Account  |        |                       | Intermediary          |        |                       |
| 12 Set client' s trading code in the trading system   |        |                       |                       |        | Nanhua & Intermediary |
| 13 Train on trading rules   |        |                       |                       |        | Nanhua & Intermediary |
| 14 Execute first order  |        |                       |                       |        | Client                |

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# Introduction of Special Trading Rules

| Items                         | Detail   |
|-------------------------------|--|
| One code per one client       | One entity can only have one unique trading code within the exchange.  |
| USD offset margin             | The settlement is made in RMB, and the US dollar can be used as a margin.  |
| Position limit warning        | Remind clients to adjust their position before scheduled time  |
| Trading limit warning         | Notify clients to pay attention, so as not to exceed the limit and be restricted by the exchange on positions opening        |
| Abnormal transaction notice   | Self-dealing; Frequent cancellation of orders; Large amount of cancelled orders.   |
| Other Trading Related Notices | Delivery notice, Holiday notice  |
|                               | Commission / Margin / Price limit adjustment notice  |
| Trading orders                | Price priority, time priority; Closing rules is first in first out.<br>INE: Close today position VS Close yesterday position |

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# PART THREE

# Our Advantages





## Experience in serving offshore institutions

- One of the earliest cross-border investment service teams serving QFII and RQFII participating in stock index futures hedging
- The team consists of 6 sales staff and 4 traders, 5 of whom have overseas study background and have more than 8 years of experience in futures industry per capita.



## One-on-one service

- Dedicated customer service manager pro-actively dealing with settlement issues
- A-share listed company guarantees the safety of funds.



## One-stop integrated financial solutions

- QFII/RQFII product experts, providing comprehensive solutions from market access to onshore investment.
- Experience in overseas markets , providing advice for overseas brokers from exchange filing to participating in transactions.
- International futures contracts access for overseas participants to trade China's internationalized products.



## Full set of trading systems and IT support

- We offer TT, CQG, ATP, Esunny, Bloomberg and other international mainstream trading platforms;
- Continuous investment in information technology ensures that we are at the forefront of technology and provide customers with the best experience.



# PART FOUR

# Contact Us





## Contact Us



### Hangzhou, Zhejiang, China

Hengdian Building, Fuchun Rd, Hangzhou, Zhejiang



### HongKong, China

17/F, Centre Point, 181-185 Gloucester Road, Wanchai, HongKong



### Singapore

2 Shenton Way, #17-04A SGX Centre 1, Singapore 068804



### Chicago, USA

30 S Wacker Dr. Suite:3850, Chicago, IL 60606



### London, UK

3/F, 1-3 Royal Exchange Buildings, London, EC3V 3LF

Contact us:  
[nhoverseas@nawaa.com](mailto:nhoverseas@nawaa.com)

