



# Huatai Financial USA FAQ

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# Open Account

## **01 What Exchanges are Huatai Financial USA Inc (“Huatai USA”) a member of?**

Huatai USA is registered as a Futures Commission Merchant with the Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA) authorized to conduct futures and options on futures brokerage business. Huatai USA is not currently a member of any futures exchange, however, Huatai USA may provide execution and clearing services for most exchange traded futures and options.

Huatai USA may provide clearing and execution services for exchange traded futures on markets including CME, CBOT, NYMEX, COMEX, ICE Futures US, ICE Futures Europe, HKEX, SGX, EUREX and LME.

Please contact customer service at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com) if interested in trading other markets.

## **02 How does Huatai USA handle funds in depository accounts?**

Funds received from customers are deposited in a segregated account at the depository bank of Huatai USA, currently BMO Harris NA, which is a certified settlement bank of CME Group, Inc. as required by CFTC regulations. Such funds are segregated from Huatai USA house funds. Customer balances are maintained in segregated and/or secured accounts (as defined by the CFTC) at Huatai USA’s banks, carrying brokers, or exchanges. Daily account balances and account information of Huatai USA’s segregated accounts are sent to the NFA. Segregated and Secured data are displayed on the company website. As mentioned above, customer segregated and secured balances are completely isolated from the company’s own funds.

In addition to cash, Huatai USA may also accept U.S. Bonds, U.S. Treasury Bills and in limited circumstances stocks as initial margin. Variable discounts may be applied to different assets. Please contact customer service at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com) for detailed haircut percentages.

## **03 What types of currency for margin does Huatai Financial USA accept?**

Margin is primarily denominated in U.S. Dollars, however other currencies may be accepted upon request. Presently, Huatai USA will automatically convert foreign currencies into U.S. Dollars and customers will bear risk of exchange rate losses (if any). Please contact customer service at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com) for further details.

## **04 Can Chinese special legal person/funds entity open accounts with Huatai Financial USA?**

The CFTC does not prohibit Chinese special legal entities such as fund companies or asset managers from opening futures trading accounts with Huatai USA. There is no limitation on the number of accounts that may be opened either. However, Chinese special legal persons



such as fund companies or asset managers may be subject to restrictions imposed by Chinese regulations. The client side need to identify these restriction from residing country by themselves.

## 05 What can be used as verification of address documents?

Documents listed below may be used as verification of address:

- Bank statements within 3 months
- Utility bills within 3 months.
- Phone bills within 3 months.

Please contact customer service at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com) for questions regarding other qualified proof of address files.

## 06 May Introducing Brokers (IBs) or referrers introduce customer to Huatai USA, if so, how?

Huatai USA may accept IB business, provided the IB is authorized by its local regulatory agency to do so. With regards to Chinese IB's, the IB needs to be registered with local regulatory bureau. Huatai USA may also accept referral business.

Huatai USA may compensate IB or referrer. Both parties must execute the appropriate agreements. Huatai USA is obligated to conduct a review of the IB or referrer. An IB or referrer may be an individual natural person or registered entity. Huatai USA will compensate IB or referrer in U.S. Dollars or other requested currency type to the bank account designated by the IB or referrer. The conversion loss from the foreign exchange, if any, will be borne by the IB or referrer.

## 07 Does Huatai USA require witnesses for opening accounts?

Huatai USA **DOES NOT** require witnessing as U.S. regulation does not require so.

## 08 How to open a trading account with Huatai USA?

Customers can open accounts with Huatai USA through two methods:

1. Manual: Customers can download application from Huatai USA's website ([www.huataiusa.com](http://www.huataiusa.com)) or request an application from Huatai USA Customer Service at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com). After completing and executing the documents, customers may scan and email it to Huatai USA. An original copy is not required. The approval process usually takes 1-5 business days assuming all required documents are provided.
2. Online: Customers may complete an online application via the web or handheld. Please go to Huatai USA's website ([www.huataiusa.com](http://www.huataiusa.com)) "Open Account" page, and click "Apply Online". The approval process usually takes 1-5 business days assuming all required documents are provided.



During the account application process, customers may reach Huatai USA customer service for questions or assistance via email at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com) or phone at +1.833.213.0635. Customers may also contact their local brokers.

## 09 What type of accounts can be opened at Huatai USA?

Huatai USA is able to open a variety of account types including but not limited to: individual, sole proprietorship, joint, corporate, limited liability company, general partnership, limited partnership, and limited liability partnerships. All account applications may be completed manually or online.

## 10 Can Huatai USA provide hosting service?

If a customer requires hosting services or a direct connection to an exchange, please contact customer service at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com).

## 11 Does Huatai USA accept third party funds to my account?

U.S. Anti-Money Laundering regulations do not allow third-party funding of futures accounts. However, joint accounts allow two owners, to provide funds from separate sources.

## 12 Contact info for Huatai Financial USA

Please find Huatai Financial USA's contact information as below:

Email	Customer Service: <a href="mailto:inquiry@huataiusa.com">inquiry@huataiusa.com</a> Trade Execution and Risk Management: <a href="mailto:risk@huataiusa.com">risk@huataiusa.com</a>
Phone	China toll-free number: 400.628.0888, dial 8 U.S. domestic toll-free number: +1 883.213.0635  Direct international call through IP channel from China: <ul style="list-style-type: none"> <li>• China Mobile customer: 17951 001 883.213.0635</li> <li>• China Telecom customer: 17909 001 883.213.0635</li> <li>• China Unicom customer: 17911 001 883.213.0635</li> </ul>



# Trading

## 13 What products can be traded through Huatai Financial USA?

Available products are listed on Huatai USA’s website ([www.huataiusa.com](http://www.huataiusa.com)) under Service - Brokerage - Tradeable Product List. If customers wish to trade products other than those listed, please contact Customer Service at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com). Huatai USA will evaluate requests and the approved products/markets will be added to the applicable customer trading platform.

## 14 What’s the rate of trading commissions?

Please contact Customer Service at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com) for detailed info.

## 15 How to change passwords for a front-end trading platform like Esunny?

Please contact Customer Service [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com) and provide a written request with signature. Huatai USA will call to verify the identity, and then change or reset passwords.

## 16 What’s the margin rate?

The margin list can be found on Huatai USA’s website ([www.huataiusa.com](http://www.huataiusa.com)) under Service - Brokerage - Margin List. Huatai USA reserves the right to increase margin requirements at any time in its sole discretion or based on market volatility. Typically, margin rates will correspond to the standard of the exchange.

Also, margin is calculated in a different way between China and International market. We are using Crude as an example to show such difference between Shanghai INE Crude (Product Code: SC) and CME WTI (Product Code: CL).

	INE Crude (SC – 1,000 barrel/lot)	CME WTI (CL – 1,000 barrel/lot)
Margin (rate)	Margin = 5% of contract value	Initial Margin: \$2,145 Maintenance Margin: \$1,950
Example	FCM may charge client the exchange level or pad 0~2% on top of exchange level margin <b>rate</b> .  Without padding margin: ¥19,500 (¥390/barrel * 1,000barrel/lot * 5%)  With 2% padding margin: ¥27300 (¥390/barrel * 1,000barrel/lot * 7%)	FCM may charge client the exchange level or pad 5-20% on top of exchange level margin <b>amount</b> .  Without padding margin: Initial margin: \$2,145 Maintenance margin: \$1,950  With 5% padding margin: Initial margin: \$2,252.25 Maintenance margin: \$2,047.5
Margin Requirement Change	Margin requirement may be adjusted along with market change, specifically when the high/low limit is breached.	Margin requirement varies along with the settlement price of previous trade date.



## **17 Can I change the margin rate?**

Initial and maintenance margin rates are set by the exchange for each product. However, margin rates may vary depending on account type, trading experience, or market conditions. For detailed information, please contact customer service at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com).

## **18 Differences of exchange rates, taxes, transaction time among international markets.**

1. Time difference: Traders must ensure that clocks are synchronized in different markets due to time difference. Many cross-market arbitrage trades are effective only when the market is in real-time.
2. Margins: In US market the margin is usually calculated based on the net position, versus the 'larger side position' which is carried in the China market. In addition, positions on different exchanges require separate margin payments, but if you trade inter-market or inter-product spreads within an exchange, there may be margin reductions.
3. Liquidation and exchange fees: Some Exchanges offer discounts based on the volume of customers' and market makers' transactions. Preferential fee policies vary by exchange. Please note that most international exchanges list a large quantity of spread contracts, such as calendar spread or inter-market spread or inter-product spread. When trading these spread contracts, buying one contract(s) and selling the other contract(s) happens in one transaction, and the margin is calculated based on the netted position between the related contracts. Compared with China market with outright contracts only, the trading cost in US is much reduced.
4. Tariff and income tax: Currently there are no tariffs and transactional taxes on U.S. future and options trades, but there are clearing, exchange, and regulatory fees in addition to the platform and data fees.
5. Foreign exchange: The customer assumes foreign exchange related losses (if any).

Please contact customer services at [inquiry@huataiusa.com](mailto:inquiry@huataiusa.com) 24/6 with additional questions.



## Settlements and Treasury

### **19 How long does it take for my funds to reflect on my account after I deposit?**

Funds received before 4:00 PM U.S. Central Time will be reflected on the account the same day. Funds received after 4:00 PM U.S. Central Time will be reflected in the customer account before 9:00 AM U.S. Central Time on day T+1. Please note that T+1 (trade date plus 1 day) referenced here must be a business day.

Generally, Huatai USA credits customer accounts as soon as practical, upon receipt of the funds. Due to time differences, global banking systems may require up to twelve hours of processing time. For example, funds wired from Asian countries may not be reflected in the customer account until approximately 8:00 AM Chicago time (correspondingly 9PM or 10PM Beijing time). The client funds arrival time depends on the process time of both sending and receiving bank, in case of China, possibly more on sending bank. Because of anti-money laundering policies of Chinese SAFE (State Administration of Foreign Exchange) and the People's Bank of China, it may take longer for Chinese banks to process international swifts.

### **20 How long does it take to withdraw my funds to my bank account?**

If a customer requests a withdrawal before 12:00 PM U.S. Central Time on a trading day when U.S. banks are open, normally, Huatai USA will send the wire on the same day. The deposit time reflected on the customer's bank account may vary due to operations and procedures of customer's bank.

### **21 Does Huatai USA require customers to maintain bank accounts outside of China? If yes, what is the procedure? If no, what is the process for customer funds wired internationally?**

Huatai USA does not require customers to use a certain bank location. Customers may use any bank of their choice. However, due to foreign currency restrictions in China, Huatai USA recommends customers use bank accounts not domiciled in China. Huatai USA reserves the right to charge additional margin for customers who utilize bank accounts domiciled in China, due to the fact that bank accounts in China are limited by local policies and cannot override foreign exchange restrictions.

The procedure for opening a bank account outside of China depends on the requirement of the country/region in which the bank account is to be established. For example, U.S. banks may require applicant to be physically present to open an account. The foreign bank branches in China will abide by Chinese policies.

Please note banks typically use SWIFT codes for international wire transfers. Wire transfers in the U.S. are typically routed through ABA Numbers, remittances transferred domestically may arrive within an hour.



## **22 Is there an online banking function in front-end trading system?**

Most countries and regions do not offer the convenience of online banking inside the trading system similar to a feature widely used in China market. On one hand, such built-in functionality involves cooperation from many parties, such as the bank, exchange, and vendor. On the other hand, the online banking system in U.S. is quite powerful and convenient. Customers can conduct foreign exchange, cross-border wiring, and other general services online without restriction of time or location, without being present at the bank.

## **23 Is there any solution to Chinese foreign exchange restriction?**

Huatai USA does not offer solutions to the restriction of China's foreign exchange policy. Considering such restrictions, Huatai USA recommends customers to prepare for foreign exchange transactions in advance.

## **24 Does Huatai Financial USA settle trades on current trade day?**

At the end of each trading day, typically defined as the end of the U.S. markets trading day, Huatai USA will process all activity, marking all open positions to market. Huatai USA will send out a daily statement to customers at the conclusion of the settlement process. Customers should also review their accounts within their applicable trading systems intraday. Any discrepancies should be reported immediately.