



上海期货交易所
SHANGHAI FUTURES EXCHANGE



上海期货交易所 2018—2022年度战略规划

STRATEGIC PLAN OF SHANGHAI FUTURES EXCHANGE (2018-2022)

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The five-year period from 2018 to 2022 will be a crucial period for China's Two Centenary goals to converge, and will also matter significantly for China to apply new philosophies of development to modernize the national economy. China's futures market should seize this important opportunity to better serve the real economy and the national strategy of opening-up. In this context, the Shanghai Futures Exchange (SHFE) has drafted a five-year strategic plan to ensure the organization aligns with national strategies and grows into a world's leading exchange.

Under the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, SHFE has been committed to thoroughly studying and implementing the essence of the 19th CPC National Congress, fully implementing the directives of the Central Economic Work Conference and the National Financial Work Conference. With the CSRC CPC Committee at the helm, SHFE firmly upholds the "Four Consciousnesses" (consciousness of the need to maintain political integrity, think in big-picture terms, uphold the leadership core, and keep in alignment) and "Four Confidences" (confidence in the path, theory, system, and culture of socialism with Chinese characteristics), and sticks to "Two Upholds" (uphold Xi Jinping's position as the core of the CPC Central Committee and the whole Party, as well as the authority of the CPC Central Committee and its

centralized, unified leadership). SHFE has strived to make progress while ensuring stability, adhere to the New Development Philosophy, take firm steps to deepen the structural reform of the financial supply side, pursue the market-driven and law-based development, learn from international best practices, follow the guidance of "four reverence" (stand in reverence of the market, rule of law, professionalism and risk-oriented thinking) and "one synergy" (the capital market's development calls for efforts made by all sides), and promote to modernize the system and capacity of governance. Guided in each effort by its pioneering spirit, SHFE has endeavored to grow into a domestically leading and internationally first-class exchange, comprehensively enhance the ethos, quality of work, and sense of responsibility among its employees. All these efforts will be directed by the fundamental guidelines of prioritizing CPC leadership, deepening reform, serving the real economy, and committing to a people-centered approach.

To cement the progress achieved, SHFE has formulated the Strategic Plan of Shanghai Futures Exchange (2018-2022) in accordance with the resolution of the 6th Members' Assembly. With it, SHFE aims to clarify its strategic objectives and development strategy, and outline a blueprint and action plan for the years ahead, so as to motivate its employees to help shape SHFE into a world's leading exchange.

I **STRATEGIC REVIEW OF 2013-2017**

During 2013-2017, in response to the directive of the 18th CPC National Congress to "deepen reform of the financial system, improve financial supervision and oversight, promote financial innovations, ensure financial stability," SHFE adhered to the guideline of serving the real economy while ensuring full and strict Party self-governance, promoting the "Two Responsibilities" and "Four Consciousnesses," seizing initiatives and pursuing progress while ensuring stability, in order to promote the sound development of the futures market.

Specifically, to pursue its goal of "becoming a leading exchange of commodities futures, options and derivatives in the Asia-Pacific region with major global influence," SHFE has vigorously worked toward its objectives in 12 areas including trading, settlement, and delivery through an innovation-driven, transformative approach. As a result of this effort, SHFE has substantially achieved the goals set out in its Strategic Plan (2013-2017) and is now a leading exchange in the Asia-Pacific region with global impact. Its achievements can be summarized into the following 12 aspects:

1. improved its organizational structure and management efficiency, and continued to implement its global development strategy;
2. introduced innovative trading modes and more diversified product offerings, and boosted the global impact of its market prices;
3. introduced innovative delivery modes, strengthened the management of the delivery process, and fine-tuned the locations of domestic delivery warehouses;
4. consolidated transaction data, efficiently supplied data to market regulators, and offered more information services;
5. enhanced its operating and trading rules, organized innovative investor education programs, and improved the structure of investors;
6. enhanced risk prevention, strengthened supervisory capabilities, and ensured adequate protection of investors;
7. upgraded the trading system, strengthened systems operation and maintenance, improved the service capacity of its infrastructures;
8. developed research platform, research management systems, and more diversified areas of research;
9. improved staff assignment, the performance evaluation system, and personnel management efficiency;
10. improved its financial management system, asset allocation, and risk resilience;
11. expanded the ways to convey corporate culture and improved staff conduct and cohesion; and
12. explored new ways to manage and promote brand, and improved the exchange's reputation home and abroad.

II STRATEGIC PLAN FOR 2018-2022

I. Mission: Serving the real economy, helping global clients manage risks with derivatives

Serving the real economy is the founding goal of the financial industry and the mission of the futures market. As a central hub of China's futures market, SHFE has always focused on meeting the demands of domestic industries. Going forward, SHFE will continue to adapt to the local context with a global perspective; stick to openness, fairness and justice; ensure systemic financial risks do not occur; develop and launch new derivative products; provide more innovative and sophisticated trading, settlement, delivery, information, and technology services; leverage its products and services to help domestic and overseas clients respond to and manage risks; and help industries maintain operational stability.

II. Core Values:

Stability, cooperation, excellence, and amiability

Stability – Robustness and sound development. Pursuing progress and sound development while ensuring stability is the core development strategy of SHFE. Ensuring sound market operations and preventing systemic risks are not only the top priority of SHFE as a front-line supervisory body, but also essential to sustaining innovation and accelerated progress as SHFE strives to become a world's leading exchange. Robustness means taking proactive actions and seeking rational innovations; it means making prudential decisions, proper arrangements, and solid progress; it drives more stable foundations, steady improvements, and comprehensive, balanced and sustainable development.

Cooperation – Synergy and coordination. Building mutually beneficial partnership and seeking harmonious development are the core operating guidelines of SHFE. It is the inevitable path for SHFE to adopt an open, inclusive, and collaborative mindset; seek common ground with domestic and overseas stakeholders alike while respecting differences; and expand and intensify collaborative efforts to build synergy to provide long-term, robust support to the real economy. Collaboration means sustainable, mutually beneficial, and joint development; it signifies mutual respect, collective wisdom, and concerted efforts; it demonstrates a shared desire for seeking common goals and an open, inclusive, and harmonious environment.

Excellence – Outstanding and superior performance. Being highly motivated and always striving for excellence are the core performance metrics for SHFE. SHFE requires its staff to be highly motivated and always seek excellence. To consolidate and further its comparative advantages, SHFE must pursue and achieve excellence. SHFE endeavors to provide quality services and shape itself into an enduring, world's leading exchange. Its staff must remain vigilant, proactive and innovative amid opportunities and challenges. Excellence means seeking higher, forward-looking goals; it requires a people-centric, pragmatic, and assimilating approach; it calls for the courage to shoulder responsibilities, face adversities, and achieve new heights without becoming arrogant and impetuous.

Amiability – Fraternity and friendship. Seeking amicable and good faith relations is the core business ethics of SHFE. A pragmatic, lively, honest and harmonious work environment is essential to maintaining supervisory effectiveness, fairness, and impartiality. SHFE believes simple relationship begets an enjoyable working experience, and therefore expects every employee to be dedicated, friendly, and helpful to provide clients around the world with efficient risk management services. Amiability is the very origin of ethical conduct and the character of gentleman; it demonstrates whether one upholds fairness, impartiality, and transparency as well in words as in deeds; it embodies truthfulness, integrity, and noble pursuits; it anchors and guides all efforts to project an affable image and promote mutual respect, fairness, and equitableness.

III. Goal:

Becoming a world's leading exchange

Becoming a world's leading exchange aligns with national development strategies and is necessary to providing stronger support to China's real economy. While ensuring stability and progress, SHFE will fulfill its front-line supervisory duties; provide global clients with diversified product offerings, efficient and transparent trading and settlement platform, and sophisticated and secure technical support; and endeavor to make its prices global benchmarks. SHFE aspires to become a well-regulated, efficient, transparent, comprehensive, and leading exchange in the world with global presence, complete product range, worldwide client coverage, centralized and accessible market data and advanced technological security.

Within the five-year period from 2018 to 2022, SHFE will endeavor to build a multi-dimensional product portfolio featuring commodity futures, options and index derivatives, covering OTC and other markets. Its industry coverage will be broadened to energy, shipping, rare and

precious metals, and its products will extend further into upstream and downstream industries, creating a multi-tiered derivatives market. SHFE will grow into an international trading platform by continuing to open up to overseas investors and further improve the global price influence of its main products. It aims to establish an intelligent information platform which links all lines of business to enhance the core competitiveness of the exchange. SHFE will upgrade its IT systems, and significantly increase its IT management capabilities to be at the forefront of technology. SHFE will comprehensively improve the mentality, working standards, and sense of responsibility of its employees, and form a workforce with international backgrounds, innovative capacity and sound management and research skills. Accordingly, management efficiency of SHFE will be significantly improved, and the modernization of SHFE's system and capacity for governance will be basically realized. Lastly, SHFE will establish a fully-covered and effective risk-management regime which matches its own system, mechanism and business development, so as to support the safe and stable operation and maintain sustainable development of SHFE.

IV. Strategies

To achieve this goal, SHFE will adopt global perspectives in its planning, set rules according to international standards, and highlight local advantages. It will ensure that it finds, aligns, meets, and sets the right global standards, striving to enrich its product offerings, build an international market, consolidate market information, pursue a technology-driven and talent-centric development strategy, and to establish an enterprise risk management system. As such, it will enhance its capacity and competency in supporting China's real economy and enhancing global influence.

Product diversification. The core of this strategy consists of "one main business and two expanding business," which together focus on product serialization and stratification to provide wider and more intensive support to the real economy. Specifically, on the basis of developing the main business of offering quality and influential commodity futures, SHFE will expand the two business lines of commodity options and index derivatives as well as the warrant (i.e., warehouse receipt) trading platform. Innovation and enhancement will be introduced to trading, settlement, delivery and supervision services to help advance this "one main and two expanding business" strategy.

Market internationalization. The core of this strategy is "bringing in and going global," with the goal of building a global market participant base and bolstering the global influence of SHFE prices. Specifically, SHFE

will attract overseas investors to propel its products and trading rules to converge with international standards, and actively explore international development models to serve the Belt and Road and forge alliances in Belt and Road nations.

Information aggregation. The core of this strategy is "aggregation and sharing," with the goal of consolidating the market information of SHFE and using it to support the development of SHFE and the futures market at large. Specifically, SHFE will build an integrated information platform to facilitate market information aggregation and sharing. The platform will in turn provide information products and services in order to fully address the various information needs of SHFE and market participants.

Technology-driven development. The core of this strategy is "iterative upgrade," with the goal of building a new generation IT system that readily accommodates future business development. Specifically, SHFE will build a new generation IT system featuring secure, reliable, industry-leading, and independently developed and controllable technologies while continuing to enhance its IT management capabilities, so as to converge with the IT management models employed by world's leading exchanges.

Talent-centric development. The core of this strategy is "attracting and making best use of talents," with the goal of bolstering the SHFE staff and improving SHFE's structural and institutional system in order to cultivate the human resources and organizational fortitude needed to build a world's leading exchange. Specifically, SHFE will improve its human resources

system and foster a unifying corporate culture to build a high quality, professional, responsible, and motivated workforce with international backgrounds, capacity for innovation, and good management and research skills. Additionally, SHFE will enhance its governance structure to achieve the organic integration of Party leadership and member-based management, thereby creating a synergistic and efficient organizational structure to respond to global competition.

Enterprise Risk Management. The core of this strategy is "stable and sustainable", aiming to establish a risk management system that effectively prevents and mitigates the risks in strategy execution and operational management, and maintains safe and stable operation of SHFE. Specifically, SHFE will build a risk management system to achieve the goal of safe production, optimize the corresponding workflow and supporting systems, implement the primary responsibility of safe production, and integrate risk control and safe production awareness into its corporate culture, so as to support the safe and stable operation and maintain sustainable development of SHFE.

Remaining true to its original aspiration and missions, SHFE will abide by this Strategic Plan, focus on priorities and principal business lines, and maintain team cohesion and motivation so that it will grow into a world's leading exchange in the foreseeable future.

