Part B Consultation Questions - Volatility Control Mechanism

Please indicate your preference by checking the appropriate boxes and provide reasons to support your views. Where there is insufficient space, please attach additional pages as necessary.

neces	sary.
1.	Do you support the introduction of an instrument-level VCM based on a dynamic price limit model in Hong Kong?
	Yes
	No No
	Please give reasons for your view.
	VCM distorts morest volatility and lightly briness.
2.	Do you agree that the proposed VCM model should only be applied to the HSI and HSCEI constituent stocks in the <u>securities</u> market?
	Yes
	No No
	Please give reasons for your view.
	The do not implement VCM.
3.	Do you agree that the proposed VCM model should only be applied to the HSI, HHI, MHI & MCH (spot month and the next calendar month) index futures in the <u>derivatives</u> market?
	Yes
	No No
	Please give reasons for your view.
	Pls do not implement VCM

4.	Do you agree that the market should have a 15-minute uninterrupted trading period before the end of the last continuous trading?
	Yes
	■ No
	Please give reasons for your view.
	Pls Clonst England VCM.
5.	Do you agree with the proposed reference price for the <u>securities</u> market, namely the price of last trade 5 minutes ago? If not, what would you prefer?
	Yes No, I would prefer: VCN
	Please give reasons for your view.
	As do not implement VCM.
6.	Do you agree with our proposed reference price for the <u>derivatives</u> market, namely the price of last trade 5 minutes ago? If not, what would you prefer?
	Yes No, I would prefer: No VC M
	Please give reasons for your view.
	Pls do not implement van.
7.	Do you agree with the proposed triggering level for the <u>securities</u> market, namely <u>10%</u> from the reference price across the proposed instruments covered by the VCM? If not, what level would you prefer?
	Yes

	No, level that I would prefer: Wo VCM
	Please give reasons for your view.
	Ms do not implement VCM.
8.	Do you agree with the proposed triggering level for the <u>derivatives</u> market, namely <u>5%</u> from the reference price across the proposed instruments covered by the VCM? If not, what level would you prefer?
	¥ Yes
	No, level that I would prefer: \\ \mathcal{V_0 VCM}
	Please give reasons for your view.
	Pls do not implement V cM.
9.	Do you agree that a maximum of two VCM triggers per trading session per instrument should be imposed to minimise market interruption?
	Yes
	No, I would prefer: No VCM
	Please give reasons for your view.
	Pls do not inplement VCM.
10.	Do you support trading within a price limit during the cooling-off period? If not, do you prefer another approach?
	Yes
	No, another approach that I prefer: No. VCM
	Please give reasons for your view.

Rs	So ust	inplement	VCM
----	--------	-----------	-----

11.	After the cooling-off period, do you support resuming the same dynamic price limit monitoring mechanism (i.e. ±10% (±5%) from the last trade 5 minutes ago in the securities (derivatives) market)? If not, do you prefer another approach?
	Yes
	No, I would prefer: No VCM
	Please give reasons for your view.
	Pls do not inglement VCM
12.	Do you have any other suggestions on enhancing the resumption procedures?
•	Pls do not implement VCM
13.	Do you agree that the duration of the cooling-off period should be 5 minutes for both the securities and derivatives markets? If not, what would you prefer and why?
	Yes
	No, I would prefer: No VCU
	Please give reasons for your view.
	Ps de ast infloret VCay.
14.	Do you agree with the additional market data dissemination for the proposed VCM model? If not, what would you propose and why?
	₩ Yes
	No, I would propose: Wo VCW

Please give reasons for your view.

nca	creates	inefficiency	4	inCheases	age to	
the	morket	-				

- 15. If a VCM is triggered for a given instrument, should trading of related instruments (e.g. futures contract of different contract months) on the same underlying continue as normal?
 - Yes No

Please give reasons for your view.

NCW	61	underlying	ndres	hedging	impose ible.

- 16. If a VCM is triggered for a given instrument, should trading of derivatives (e.g. single stock options or warrants) of that instrument continue as normal?
 - Yes No

Please give reasons for your view.

voat en anderlyje meloes hoofing inpossible.

17. Do you have any other comments on the VCM proposal?

If the purpose is to avoid flash crash, 27 introstructure, control, throttle pale are latter measures.

Part C Consultation Questions - Closing Auction Session

10.	market?
	Yes Yes
	趣 No
	Please give reasons for your view.
	Helps to execute MOC order.
19.	Do you agree that the new CAS model should only be applied to the major index constituent stocks (i.e. Hang Seng Composite LargeCap Index and Hang Seng Composite MidCap Index constituents as well as other Stock Connect Securities for Southbound trading)?
	Yes Yes
	■ No
	Please give reasons for your view.
	holix stocks are most wooled for MOC orders MOC orders are mainly on index stocks from Ett issuers or tradity desks.
20.	Do you agree that the new CAS model should be applied to ETF? If yes, which type of ETF should be applied?
	Yes Yes
	(i) Apply to all ETFs
	(ii) Only apply to ETFs with Hong Kong stocks as underlying
	No No

22.

23.

	Please give reasons for your view.
	FTF has action of redesption medicines to
	FTF has action of redesption medicines to ficilities institutional dients alkedy,
1.	Do you agree that at a later stage, the new CAS model should be expanded to other equity securities and funds as proposed? If so, when should the CAS be rolled out to these securities and funds?
	Yes, roll out time should be:
	No No
	Please give reasons for your view.
	CAS on lers ligited names with distort the volatility as we experienced 7 years ago.
•	Do you agree that that the new CAS model should exclude structured products, equity warrants and debt securities?
	Yes
	Mo No
	Please give reasons for your view.
	Derivative already con baseon underly of store price to come up with fair value.
	price to come up with tois value.
	Do you support introducing a price limit during the CAS?
	Yes
	iii No
	Please give reasons for your view.

April extreme movement. We do not mant the CAS period to be more volotile than continous normal 14 modet hears.

24.	Do you support a price limit of 5% during the Order Input Period for all CAS Securities?
	Yes
	No No
	Please give reasons for your view.
25.	Lower 10 lint as ±3% from reference price is better. Anotion orthogone should not dovice to make two makes trading session too much. Do you agree that a further price limit within the best bid and best ask should be applied
	during the No-Cancellation Period and Random Closing Period?
	Yes
	No
	Please give reasons for your view.
	Further Court volatility that could be distanted by CDS.
26.	Do you agree that at-auction limit orders should be allowed throughout the CAS?
	Yes
	No No
	Please give reasons for your view.
	this is the spirit of MOC orders.
27.	Do you think short selling orders with a tick rule should be allowed during the CAS?
	Yes
	No No
	Please give reasons for your view.

Moc for short selling	is comm	for	ETF action
hadging.			
short calling order is to be allowed should			

28.	If short selling order is to be allowed, should it be at or higher than the reference price?
	Yes
	No No
	Please give reasons for your view.
	should be at auction, without uptick rule.
29.	Do you agree that order amendment and cancellation should be disallowed during the No-Cancellation Period and Random Closing Period?
	Yes
	No No
	Please give reasons for your view.
30.	But I am against the handon closing Period Or if closs out pine threstors any continuing when to place orders to achieve hest execution. Do you agree that random closing be adopted in the CAS to prevent gaming?
	Yes No
	Please give reasons for your view.
	they wiss the abosing because it closes budowly.

31. If random closing is to be adopted, should it be over a period of up to 2 minutes or would you prefer a different duration?

	A different duration: No Kandan dosing.				
	Please give reasons for your view.				
	Clares will Not know when to place closing				
	Orders (or when is the last second to place				
•	In the absence of a final IEP, do you agree that the reference price should be used as the closing price and for trade matching?				
	Yes				
	No No				
	Please give reasons for your view.				
	fer. ip no ZEP, let prine is the best queuer.				
	What would be the preferred duration of the CAS?				
	(i) Same as the proposed model, i.e. 7-minute Order Input Period to end the CAS at 16:12				
	(ii) 5-minute Order Input Period to end the CAS at 16:10				
	(iii) Others, please specify:				
	Approach (i)				
	Approach (ii)				
	Approach (iii), please specify:				
	Please give reasons for your view.				
	7 min is ok. I mins is two sturf. I hagine if we need to blace 50 stock bestret				
	1 Miles 1 Miles				

34.	Do you agree that some features of the new CAS model may also be beneficial for the POS and/or the Trading Halts? If so, which feature(s)?
	Yes, the feature(s):
	No
	Please give reasons for your view.
	One step at a time. POS is working fine. and y tells is a all
35.	Do you agree that any enhancements for POS and/or the Trading Halts should be implemented later rather than during the introduction of the new CAS?
	Yes
	■ No
	Please give reasons for your view. One step at a time.
36.	Do you foresee any issues with your day end processing such as margin calls in the cash market due to the extended trading time for 12 minutes? If yes, how may the issue be resolved? Yes, suggested solution:
	Mo No
	Please give reasons for your view.
	if horgin call is to preed dury CB. we have little true to all cliente.
37.	To maintain the 45 minutes break before the start of AHFT, do you agree that the start time of AHFT to be changed from 17:00 to 17:152 If not, what time do you profess

9) 0)(1)

Yes

w/	No, time that you prefer:	stay with	Couref	the.		
Please give reasons for your view.						
N	ight fatures are	d'Aret	Separat.			
	(·	J			

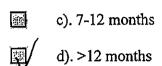
Consultation Questions - Implementation Approach and Part D **Timeline**

38.	Which implementation approach for the securities market would you prefer:					
	(i)	the development and testing of the VCM, CAS and Trading Halts functionalities are to be implemented together on the AMS/3.8 platform and be rolled out one by one; or				
	(ii)	(1) the development, testing and rollout of VCM and CAS are to be implemented together on the AMS/3.8 platform, and (2) Trading Halts proposal is to be introduced as part of the Exchange's next-generation trading system, the Orion Trading Platform-Cash; or				
	(iii)	Others, please specify.				
	酃	Approach (i)				
		Approach (ii)				
		Approach (iii), please specify: Only Informed CAS.				
	Please	Please give reasons for your view.				
		LAS is well thought out and con inframe Devrent Issues with MOC adecs.				
		Severent 185 her WOC adecs.				
39.	What should be the implementation priority among the three initiatives (i.e. VCM, CAS and Trading Halts) in the securities market?					
	Please	give reasons for your view.				
		CAS				
		No need to implement VCM on tradingfle!				

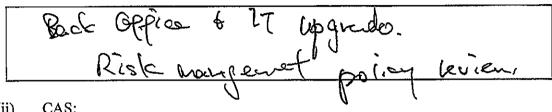
- How long do you need to prepare for the rollout starting from the issuance of the specification for each initiatives:
 - (i) VCM:

40.

- a). under 3 months;
- b). 4-6 months;



Please give reasons for your view.



- CAS: (ii)
- 掛 a). under 3 months;
- b). 4-6 months;
- c). 7-12 months
- d). >12 months

Please give reasons for your view.

Rode Office, 27, Ride Agra Mongenul Review + Upgrade.