

香港聯合交易所有限公司  
(香港交易及結算所有限公司全資附屬公司)  
**The Stock Exchange of Hong Kong Limited**  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

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通告 **CIRCULAR**

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## 事項

Subject: **EXTENSION OF THE PRODUCT TYPE COVERAGE OF THE RMB EQUITY TRADING SUPPORT FACILITY (TSF) ON 6 AUGUST 2012**

## 查詢

Enquiry: **Participant General Enquiry Hotline (Tel : 2840 3626 E-mail : trd@hkex.com.hk)**

HKEx is pleased to announce the extension of TSF product type coverage with effect from 6 August 2012.

TSF was launched on 24 October 2011 with the aim to support the trading of RMB equities in the secondary market. To further facilitate the development and growth of listed RMB products, arrangement has been made with the TSF Partner Banks to extend the coverage of TSF to two additional product types traded in RMB in the secondary market, namely:

- (i) **Exchange Traded Funds (ETFs) with equities as underlying**
- (ii) **Real Estate Investment Trusts (REITs)**

Accordingly, **with effect from 6 August 2012**, both China AMC CSI 300 Index ETF (Stock Code: 83188) and Hui Xian REIT (Stock Code: 87001) will be eligible for the TSF and will be posted to the “List of TSF Stocks” on the HKEx website at [http://www.hkex.com.hk/eng/market/sec\\_tradinfra/tsf/tsf.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/tsf/tsf.htm) for reference. The “List of TSF Stocks” will also be updated upon admission of any RMB stocks eligible for the TSF going forward. The TSF will also start providing RMB FX rates to Exchange Participants (EPs) and investors at the front page of HKEx website at <http://www.hkex.com.hk>. Indicative rates will be provided at the beginning of the respective trading sessions while final rates will be provided after the respective trading sessions for reference.

**Use of the TSF**

The **TSF Services are only available to those EPs who are registered as TSF Participants**. A list of TSF Participants can be found on the HKEx website at [http://www.hkex.com.hk/eng/market/sec\\_tradinfra/tsf/tsf.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/tsf/tsf.htm) for reference. EPs who are registered as TSF Participants can indicate their intention to use the TSF in the relevant buy or sell order when they input the order into the AMS. They should input “TSF” in the first three characters in the “Ref” field (for Terminal/MWS users) or “Broker Comment” field (for BSS users), and if the order is a buy order, they should make sure that the order is an at-auction order, special limit order, odd lot order or special lot order. Therefore, EPs who are not TSF Participant must not input “TSF” as the first three characters of the “Ref” field or “Broker Comment” field when entering orders of RMB stocks.

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TSF Participants who have indicated intention in the buy or sell order to use the TSF are required to settle FX transactions with the TSF on T+2 if the order is matched on the AMS. Settlement of the FX transactions is conducted on CCASS through the CCASS money settlement process and HKSCC will charge a fee for each TSF FX Transaction settled through CCASS. EPs can refer to the circular issued by HKSCC today for the details of clearing matters in relation to TSF.

**Getting ready**

TSF Participants are reminded to ensure their front office systems, back office systems and operational procedures (including internal processes, control procedures and documentation) are ready for handling all aspects of TSF trades and TSF FX orders and its settlement as required by the Rules of the Exchange and the General Rules of CCASS and CCASS Operational Procedures, which are available at <http://www.hkex.com.hk>.

**Client communication**

TSF Participants should ensure clear communication with their clients on the usage of TSF and where applicable, related client agreements, communication channels, procedures and documentation.

TSF Participants should clearly explain to their clients that when they buy RMB stocks with the TSF, they will pay HKD to the TSF (i.e. “HKD in”) and the TSF converts the received HKD into RMB for them to settle the trades. The purchased TSF shares will then be earmarked in CCASS and held in the TSF accounts. When their clients sell the RMB stocks previously bought under the TSF, the sales proceeds in RMB will return to TSF in exchange for equivalent amount of HKD before it is paid to their clients (i.e. “HKD out”). This “HKD in, HKD out” mechanism aims to ensure the RMB supplied by the TSF is re-cycled and stays in the secondary market.

**Availability of the TSF fund**

Normally, the available TSF fund balances are updated on the front page of HKEx website for reference before the commencement of the morning trading session, during lunch break and after market close on each trading day. Under a rare situation, the TSF FX services may be suspended due to shortage of RMB funding or other reasons. If the TSF FX services are to be suspended for buy orders and/or sell orders, details will be announced and posted on the HKEx website.

**Further Information about the TSF**

In addition to the important information noted in this circular, EPs can refer to the dedicated TSF webpage at [http://www.hkex.com.hk/eng/market/sec\\_tradinfra/TSF/TSF.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/TSF/TSF.htm) for more detailed information such as the TSF Information Paper, FAQ, registration criteria, etc.

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