HKEx 香港交易所

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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)

通告 CIRCULAR

事項
Subject: **2016 PLANNED INITIATIVES IN THE SECURITIES MARKET**

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

Hong Kong Exchanges and Clearing Limited (HKEx) plans to initiate or implement the following initiatives in the Securities Market in 2016. To facilitate Exchange Participants' (EPs') planning and preparation for these initiatives, please find the tentative schedule as below:

Tentative Schedule	Planned Initiative	Description and Planned Activities
1 Jan 2016	Introduction of Circuit Breaker Mechanism by the Shanghai Stock Exchange (SSE)	Reference is made to our circular published on 4 December 2015 (Ref: CT/070/15) regarding the introduction of circuit breaker mechanism by SSE starting from 2016. Accordingly, northbound trading of A shares through Shanghai-Hong Kong Stock Connect will be affected. **Impact to EPs:** The China Connect Open Gateway (CCOG) interface specifications have been updated and a practice session/post release test for China Connect Exchange Participants to participate will be conducted on 19 December 2015. The information package and further details will be available later on the Shanghai-Hong Kong Stock Connect web corner.

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Tentative Schedule	Planned Initiative	Description and Planned Activities
1H 2016	Provision of Implementation Details of China Connect Central Gateway (CCCG)	CCCG will be introduced to replace the existing CCOG for Stock Connect northbound trading. HKEx has already started the design and development of the new system, and will announce the implementation details to the market in due course. **Impact to EPs:** The implementation schedule and technical specifications are expected to be published in 1H 2016. The system is tentatively scheduled to roll out in 2H 2016. There will be a transition period after the roll out for China Connect Exchange Participants to pace their migration from CCOG to CCCG.
Q2 2016	Open Gateway (OG) Retirement in Hong Kong Securities Market	Reference is made to our circular published on 4 August 2015 (Ref: CT/051/15) regarding the end of support of OG for trading on AMS/3. Following the launch of Orion Central Gateway (OCG) in June 2014, OCG is replacing the existing OG and the migration is conducted by phases. OG for the Hong Kong Securities Market is scheduled to retire in June 2016. **Impacts to EPs:** Most EPs have migrated their OGs to OCGs. For EPs still using OG for the Hong Kong Securities Market, they are reminded to migrate to OCG as soon as practicable. EPs not planning to migrate to OCG have been notified individually to de-install their OGs.
Q2 2016	AMS/3 and China Stock Connect System (CSC) Rehearsal for System Recovery under Emergency Situation	The objective of the rehearsal is to enable EPs and related parties to familiarize themselves with contingency procedures for AMS/3, CSC, and relevant systems and operational matters under emergency situations. All EPs will be invited to participate in the rehearsal. **Impacts to EPs:** EPs are reminded to allocate sufficient resources for participating in the rehearsal. Circular and related attachments will be published in due course before the rehearsal.

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Tentative Schedule	Planned Initiative	Description and Planned Activities
Q3 2016	Introduction of Phase 1 of Closing Auction Session (CAS) in Hong Kong Securities Market	Reference is made to our circular published on 3 July 2015 (Ref: CT/044/15) regarding the introduction of VCM and CAS in the Hong Kong Securities Market. Please refer to the VCM and CAS web corner for further details. The CAS will be rolled out in two phases. CAS Phase 1 will be rolled out in Q3 2016 while CAS Phase 2 will be rolled out after a review, tentatively six months after Phase 1. CAS Phase 1 will include all the Hang Seng Composite LargeCap and MidCap index constituent stocks, the H shares which have corresponding A shares listed on the exchanges in Mainland China, and all ETFs. **Impact to EPs:** Technical documents have been released in August 2015. EPs are required to verify the compatibility of their Broker Supplied Systems (BSS) with the CAS. EPs have to perform necessary system modification (if applicable) before participating in the market rehearsals. Details of the market rehearsals will be provided in Q2 2016.
Q3 2016	Introduction of Volatility Control Mechanism (VCM) in Hong Kong Securities Market	Reference is made to our circular published on 3 July 2015 (Ref: CT/044/15) regarding the introduction of VCM and CAS in the Hong Kong Securities Market. Please refer to the VCM and CAS web corner for further details. The VCM will cover Hang Seng Index (HSI) and Hang Seng China Enterprise Index (HSCEI) constituent stocks in the Securities Market, and 8 index futures contracts in the two indices in the Derivatives Market. **Impact to EPs (for Securities Market):** Technical documents have been released in August 2015. EPs are required to verify the compatibility of their BSS with the VCM. EPs have to perform necessary system modification (if applicable) before participating in the market rehearsals. Details of the market rehearsals will be provided in Q2 2016. For Derivatives Market, VCM will be introduced in Q4 2016 tentatively.

Tentative Schedule	Planned Initiative	Description and Planned Activities
Q3 2016	Provision of Information on the Scope of Enhancements and Implementation Schedule of Orion Trading Platform – Securities Market (OTP-C)	OTP-C is the new trading platform to replace the current AMS/3.8 trading platform for securities trading in Hong Kong. HKEx has already started the design and development of the new system, and will announce the implementation details to the market in due course. **Impacts to EPs:** OTP-C is primarily a technology upgrade developed with modern technology to pave way for future business growth. The "Trading Halt" Mechanism that HKEx has decided to implement will also be introduced in this new trading platform. The implementation schedule and technical specifications are expected to be published in Q3 2016. The system is tentatively scheduled to be rolled out in end 2017.

Please note that the list above only includes the **planned initiatives and enhancements in 2016 as of today** and the tentative schedule is subject to change. Other initiatives and enhancements will be announced as and when appropriate.

For any enquiries on the circular, please email to trd@hkex.com.hk.

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