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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

Subject: **CONFIRMED LAUNCH DATE OF VOLATILITY CONTROL MECHANISM (VCM) IN THE SECURITIES MARKET AND PRACTICE SESSION**

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

Further to the Exchange's circular made on 2 June 2016 (Ref. No.: CT/025/16) and following the successful completion of the two-week stabilisation period for the Closing Auction Session Phase 1 rollout, the Exchange is pleased to announce that **VCM in the securities market is confirmed to be launched on 22 August 2016 (Monday)**.

For further details of the VCM model and how the mechanism works including determination of the VCM reference price and arrangement for adverse weather etc., please refer to the document "Trading Mechanism of Volatility Control Mechanism (VCM) in the Securities Market" which is available at the VCM and CAS web corner.

Applicable Securities

Exchange Participants (EPs) are reminded that VCM in the securities market will only cover all Hang Seng Index and Hang Seng China Enterprise Index constituent stocks (together the VCM securities). The list of VCM securities at launch is now available on the HKEX website at the VCM and CAS web corner for reference.

Practice Session on 20 August 2016

In order to allow EPs to further familiarise themselves with the VCM under a production environment, a half day practice session will be arranged on 20 August 2016 (Saturday). This

practice session is optional for all EPs. EPs who wish to participate in the practice session are required to complete and return the VCM Practice Session Registration Form (Attachment) to HKEX by fax to 2521 7899 or 2868 5223 on or before 11 August 2016 (Thursday). HKEX will provide details of the VCM Practice Session separately.

Sally Kwok
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