

CONSULTATION PAPER
PROPOSED CHANGES TO
TRADING HOURS

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Hong Kong Exchanges and Clearing Limited
香港交易及結算所有限公司

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EXECUTIVE SUMMARY

Hong Kong is the international financial centre of China and our market is closely connected to the Mainland's. Almost 60% of our market capitalisation and over 70% of our market turnover come from Mainland-related securities, while growing numbers of our derivative products, Exchange Traded Funds (ETFs) and structured products have Mainland-related securities as underlying assets.

The Mainland will further open up in view of the Central Government's policy to promote greater RMB internationalisation. Following the official recognition of Hong Kong as China's offshore RMB centre, inter-market trading activities and the number of products cross-listed between the Hong Kong and Mainland markets are sure to increase.

Currently, the opening times of our securities and derivatives markets¹ lag behind the Mainland's by 0.5 hours in the morning and 1.5 hours in the afternoon. The Continuous Trading Sessions² (CTS) of the Hong Kong's and Mainland's securities and derivatives markets overlap by only 2 hours and 2.5 hours respectively.

With the closer interconnections between the Hong Kong and Mainland markets, we propose to change our trading hours (i) **to enhance our price discovery function for Mainland-related securities by opening earlier and increasing our overlap of trading hours with the Mainland's**; and (ii) **to strengthen our competitiveness by narrowing the gap between our opening times and those of our regional competitors**.

Our Proposal is as follows:

- **Change (A): Advance the morning CTS by 0.5 hours.** The morning CTS of the securities and stock futures/options markets will open at 09:30 and close at 12:00; the index futures/options markets will open at 09:15 and close at 12:00 (i.e. our markets will open at the same time as the Mainland's in the morning); and
- **Change (B): Advance the opening times of the afternoon CTS:**
 - Option 1: the afternoon CTS of all markets will **open at 13:00 resulting in a 1-hour lunch break from 12:00 to 13:00** (i.e. our markets will open at the same time as the Mainland's in the afternoon); or
 - Option 2: the afternoon CTS of all markets will **open at 13:30 resulting in a 1.5-hour lunch break from 12:00 to 13:30** (i.e. our markets will open 0.5 hours later than the Mainland's in the afternoon).

No change to the auction sessions is proposed except that they will start earlier along with the CTS. A clear diagram of the proposed changes including the Mainland trading hours is shown in Figure 1 after paragraph 17.

This paper sets out the rationale for our Proposal. It also highlights key issues for consideration as our Proposal would impact the operations and practices of the market. Should our Proposal

¹ Derivatives market in this consultation paper refers to our stock futures/options markets and index futures/options markets.

² Continuous Trading Sessions (CTS) of our securities market in this consultation paper refer to the morning session from 10:00 to 12:30 and the afternoon session from 14:30 to 16:00, but exclude the Extended Morning Session from 12:30 to 14:30 in respect of the two Extended Trading Securities.

be adopted, sufficient lead time will be given to the market to make the necessary changes. We will take into account market readiness in determining the timing of implementation.

We invite market participants and the investing public to express their views and comments on the Proposal. Respondents should reply to this Consultation Paper by completing and returning the questionnaire before 29 October 2010 (a softcopy of which is available at <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2010093q.doc>).

A Consultation Conclusions Paper will be issued summarising the main points made by the respondents and indicating a way forward.

PART 1: REASONS FOR CHANGE TO TRADING HOURS

Development of the Hong Kong and Mainland Markets

1. The Hong Kong and Mainland markets have grown in tandem in recent years. The Hong Kong market has expanded manifold since the first red chips were listed in the early 1990s, followed by the first H share in 1993.
2. Currently Mainland-related enterprises – H shares, red chips and non-H share Mainland private enterprises – account for about 60% of Hong Kong’s market capitalisation and over 70% of market turnover. Meanwhile, the two Mainland exchanges have also experienced strong growth in recent years. In 2009, the combined turnover of the Shanghai and Shenzhen A share markets was US\$7,836 billion.
3. Rising local and worldwide investment interest in Mainland assets has led to an expanding product offering in our market. Apart from equities, many ETFs and structured products with Mainland-related securities as their underlying assets have been listed in our securities market, while in our derivatives market, a variety of actively-traded Mainland-related products – most notably H share index futures and various option classes on Mainland-related securities – account for substantial trading volumes.
4. Further moves to advance the Mainland economy and greater connections between the Hong Kong and Mainland capital markets are expected to continue to be mutually beneficial and add growth momentum to both sides.
5. We are already witnessing opportunities emerge with official recognition of Hong Kong as China’s offshore renminbi centre, expansion of the pilot renminbi trade settlement scheme, the clearing agreement for the currency in Hong Kong and the potential launch of the ‘mini-QFII’ scheme. These would increase Hong Kong’s role in the renminbi’s internationalisation and in China’s overall financial development. Products denominated in renminbi are set to enlarge our marketplace.
6. Meanwhile, in the Mainland, expected developments such as the introduction of ETFs with Hong Kong stocks as the underlying assets, the launch of the international board, and the listing of red chips on the Mainland would further enhance the financial ties between both sides.
7. We aim to be well prepared for such developments and pursue initiatives that would meet the changing needs brought about by the rising interaction, so that investments and fund flows can increase in a stable and orderly manner.

Regional Development

8. The Asia-Pacific is attractive to investors seeking exposure to the fast-growing regional economies, and also increasingly attractive to issuers seeking profile and fund-raising opportunities. However, other regional markets compete with Hong Kong for investors and issuers. As globalisation increases, competition within the region is likely to intensify. We need to be well-prepared and pursue initiatives that will maintain our regional competitiveness.

Rationale for Change of Trading Hours

9. Currently, the opening times of the our securities and derivatives markets lag behind the Mainland's by 0.5 hours in the morning and 1.5 hours in the afternoon. The overlaps are only 2 hours for the securities market and 2.5 hours for the derivatives market. With the closer interconnections between the Hong Kong and Mainland markets, we propose to change our trading hours for two strategic reasons:

- **To enhance our price discovery function for Mainland-related securities by opening earlier and increasing our overlap of trading hours with the Mainland's; and**
- **To strengthen our competitiveness by narrowing the gap between our opening times and those of our regional competitors.**

To Enhance Our Price Discovery Function for Mainland-Related Securities by Opening Earlier and Increasing Our Overlap of Trading Hours with the Mainland's

10. **Price discovery for Mainland-related securities is an important function of our market.**

As the international financial centre of China, HKEx must open in a timely manner in the morning and afternoon to perform its price discovery function. Overnight market information in the US and Europe, and daytime market information in the Mainland and other parts of Asia are important for price formation, in particular during the opening of a trading session. From time to time, important market news, especially from the Mainland, does break prior to our market open or during our long lunch break. With our opening times lagging behind the Mainland's by 0.5 hours in the morning and 1.5 hours in the afternoon, our investors can only react to market news after their counterparts in the Mainland market. It is particularly important for Hong Kong to take a more active role in the price discovery function given that there are increasing numbers of cross-listed products on the two markets as detailed below.

- **Significant increase in the number of H shares with A share listings (A+H shares).** As of July 2010, 62 of the 157 H shares listed in Hong Kong are listed as A shares on the Mainland exchanges representing 23% of our market capitalisation, and the number is growing.
- **A share ETFs account for the majority of our ETF turnover.** Of our 65 ETFs, 24 are A share ETFs which contributed 77% of the total ETF market turnover in the year to July 2010, helping HKEx become the leading ETF market in Asia in terms of turnover value³.
- **Many structured products have Mainland-related securities as underlying assets.** There are close to 3,000 structured products with underlying assets related to A+H shares or A shares.
- **Over half of the top ten traded securities are Mainland-related securities.** Six of the top ten traded securities (the five A+H shares and the A50 ETF) are related to A+H shares or A shares. These same six are the underlying shares for some of the most actively traded stock options contracts and some of them are among the top weighted stocks in the Hang Seng Index (HSI) and H share indexes underlying the stock index futures and options.

³ Source: World Federation of Stock Exchanges (for the first half of 2010).

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11. **Growing QFII and QDII participation.** The approved quota for Qualified Foreign Institutional Investors (QFII) is currently US\$18 billion and that for Qualified Domestic Institutional Investors (QDII) US\$64 billion⁴. QFIIs support the many A share ETFs in Hong Kong which allow Hong Kong investors to gain A share market exposure indirectly. On the QDII front, Mainland investors are investing in H shares via investment funds. Furthermore, the Mainland exchanges are expected to list ETFs with Hong Kong stocks as underlying assets using the QDII regime as stated in the recent Supplement VII to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). The increase in QFII and QDII quotas means that there are growing numbers of market participants and investors that can trade in both markets and hence bring about closer connection of the two markets.
 12. **Strengthening our positioning in China's financial development.** Expected future developments in China's financial markets (the 'mini-QFII' scheme, the listing of ETFs with Hong Kong stocks as underlying assets on the Mainland exchanges, the launch of the International Board by Shanghai Stock Exchange, and the listing of Red Chips on the Mainland markets) will further increase the number of cross-listed products and hence inter-market trading activities and linkages. It is important for us to open earlier and increase our overlap with the Mainland's trading hours in order to enhance our price discovery function for Mainland-related securities.

To Strengthen Our Competitiveness by Narrowing the Gap between Our Opening Times and those of Our Regional Competitors

13. **We should ensure the Hong Kong market is not disadvantaged due to our late openings.** Today, our opening times are the latest in the region and we have the shortest trading hours among global exchanges; hence our price discovery function during the market open in the morning for overnight market information may be compromised.
14. **Direct competition from other regional markets may become more significant over time.** Many of our ETFs and some equities are cross-listed on other regional exchanges, which also trade structured products on Hong Kong stocks. Furthermore, with some regional markets following the direction of the US and European markets, new platforms such as regional broker internalisation systems, Electronic Crossing Networks and Dark Pools could be launched trading either Hong Kong stocks or depositary receipts on Hong Kong stocks. The proposed trading hours will also extend our overlap with the stock exchanges in Japan, Taiwan and Singapore and facilitate trading strategies among these markets.
15. It is important for us not only to overlap our trading hours with the Mainland's but also to be compatible with the rest of the world if we wish to function fully as the international financial centre of China.

⁴ Source: State Administration of Foreign Exchange (as of 30 June 2010).

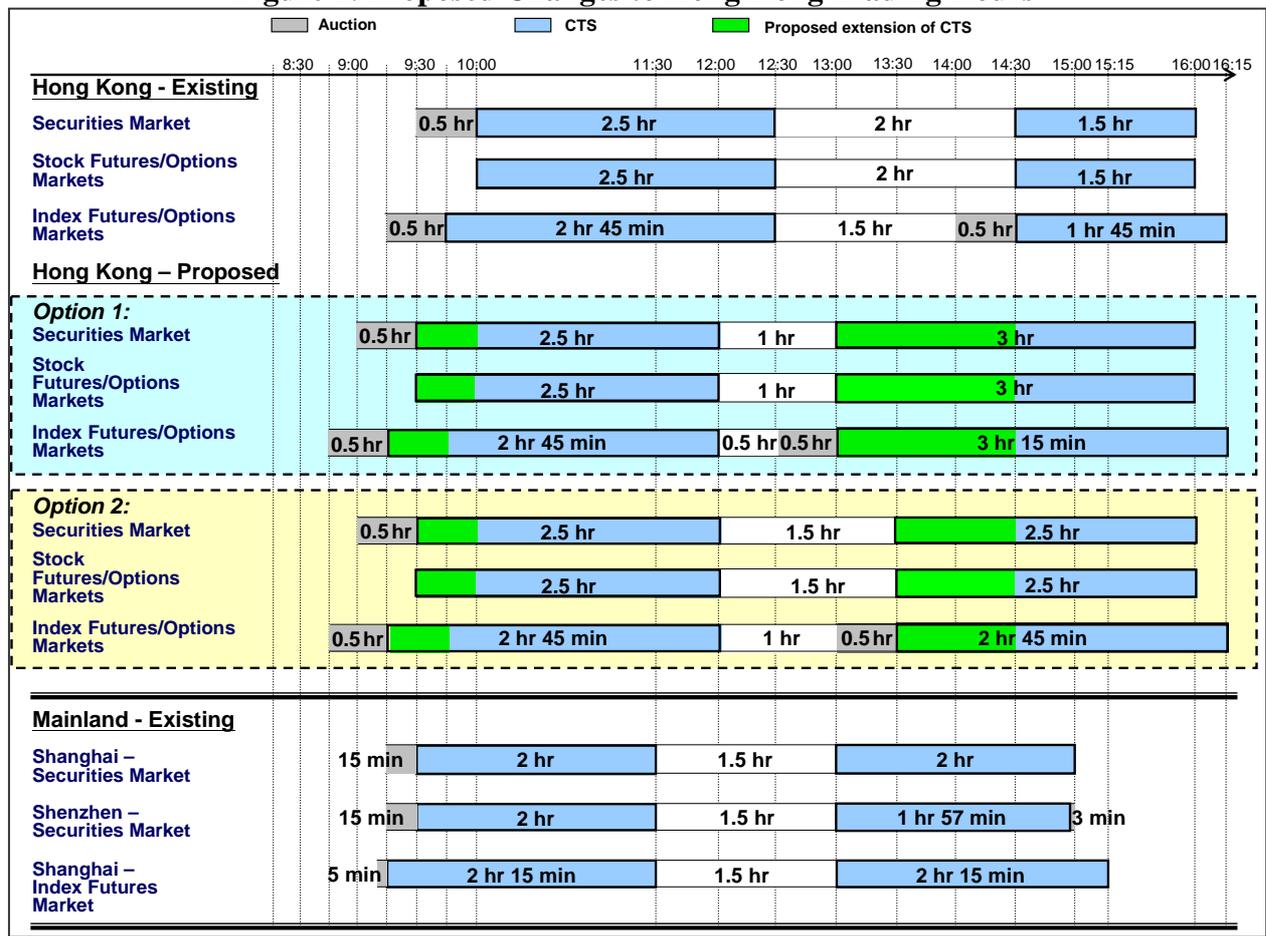
PART 2: PROPOSAL

16. Our Proposal comprises two changes regarding the opening times of the morning and afternoon CTS as follows:

- **Change (A): Advance the morning CTS by 0.5 hours.** The morning CTS of the securities and stock futures/options markets will open at 09:30 (with the morning auction for securities market starting at 09:00) and close at 12:00. The index futures/options markets will open at 09:15 (with the morning auction starting at 08:45) and close at 12:00 (i.e. our markets will open at the same time as the Mainland’s in the morning); and
- **Change (B): Advance the opening times of the afternoon CTS:**
 - Option 1: the afternoon CTS of all markets will **open at 13:00 (same as the Mainland) resulting in a 1-hour lunch break from 12:00 to 13:00** (with the afternoon auction of index futures/options markets starting at 12:30); or
 - Option 2: the afternoon CTS of all markets will **open at 13:30 (0.5 hours later than the Mainland) resulting in a 1.5-hour lunch break from 12:00 to 13:30** (with the afternoon auction of index futures/options markets starting at 13:00).

17. If the proposed changes are adopted, we will cover the CTS of the Mainland’s for 4 hours under Option 1 or 3.5 hours under Option 2, and our revised trading hours will be comparable to the CTS of other major regional exchanges (as shown in Appendix 1). Figure 1 below depicts our Proposal:

Figure 1: Proposed Changes to Hong Kong Trading Hours



18. While we recognise that longer trading hours might not necessarily bring in immediate additional trading volume, overlapping our CTS with the Mainland's will facilitate the development of cross-border products which in turn will benefit our market development.

Other considerations

19. Under the Proposal, the auction sessions of the securities and derivatives markets will start earlier along with the CTS, i.e. the morning securities market and index futures/options market auctions will start at 09:00 and 08:45 respectively, and the afternoon index futures/options market auction session will start at 12:30 (Option 1) or 13:00 (Option 2).

20. Nonetheless, we welcome views on whether there would be benefit in,

- shortening the morning auction sessions; and/or
- shortening or eliminating the afternoon auction session of index futures/options markets.

We look forward to any views from the market on these issues.

PART 3: ISSUES TO BE CONSIDERED

21. We recognise that starting the securities and derivatives markets earlier and having a shorter lunch break may impact the market in a number of ways. We would like to assist consideration of these impacts by outlining below some key issues together with our analysis. We welcome input on these areas.

General Points

22. **Market participants' systems may require changes and sufficient lead time should be allowed before implementation.** Although the securities and derivatives markets in Hong Kong as a whole already cater for ad hoc changes in trading hours from time to time due to typhoon and black rainstorm warnings, we understand that implementing permanent changes in trading hours generally involves some changes to market participants' systems. Accordingly, sufficient lead time would be provided to the market for smooth implementation.
23. **Daily operational tasks may be impacted but critical operational cut-off times should remain unaffected.** As the proposed changes would only affect the start times of the CTS and lunch break, the key daily operational processes and fund transfers among market participants and the investing public, the banking industry and HKEx, which occur mainly in the late afternoon or after the market close, should remain largely unaffected. In addition, the existing RTGS⁵ service hours of the banking system already cover the proposed trading hours and so no major changes are envisaged in the timing of critical market funding arrangements. It is however noted that the commencement of working hours as well as the system start-up time of market participants would be 30 minutes earlier than today.
24. **Changing the trading hours may impact existing or historical VWAP⁶ profiles and analytical tools established by market participants.** With the change in trading hours, it may be necessary to build up new data set for certain VWAP profiles or algorithms that are time-dependent. Algorithm or analytical tool providers may need to assess the impact of changes in trading hours and make corresponding adjustments.

Points Related to the Opening Times of the Morning CTS

25. **Some industry staff will have to start work earlier.** Advancing the market opening times by 0.5 hours should not affect the operations of those market participants and investors who are already covering multiple markets in the morning (e.g. retail and institutional brokers who offer overseas securities or futures services). Rather, it should provide them with more timely opportunities to place orders in our market in reaction to market news and trading activities of the Mainland and other regional markets, which can be viewed as an added value. Other market participants and investors who cover only the Hong Kong market may need to start working earlier.

⁵ The RTGS, short for Real Time Gross Settlement System, also known as HKD Clearing House Automated Transfer System (CHATS), is a funds transfer system where transfer of money or securities takes place from one bank to another on a gross and real time basis (unless specified with special instruction). Currently, the operating hours of RTGS are from 08:30 to 18:30 (as interbank cut-off time and 18:00 as customer cut-off time), Monday to Friday.

⁶ VWAP refers to Volume-Weighted Average Price.

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26. **The cut-off time for the publication window⁷ for issuers to make announcements in the morning will be advanced by 0.5 hours.** Currently, issuers have until 09:00 to release announcements before the morning auction session of the securities market begins at 09:30. Our Proposal will result in the advancement of the cut-off time by 0.5 hours, i.e. the morning cut-off time will become 08:30. Based on the statistics of the first seven months of 2010, we observe that less than 2% of issuer announcements were made between 08:30 to 09:00.

Points Related to the Change of Opening Times of the Afternoon CTS (which will lead to a shorter and earlier lunch break)

27. **Departure from long-standing tradition of extended lunch break will cause inconvenience.** While the majority of the companies in Hong Kong adopt an official lunch break of one hour, the existing two-hour lunch break from 12:30 to 14:30 in the securities market has been in place for a long time. We understand that most multinational brokers trade throughout the day including lunch time already as they cover multiple regional markets for their clients. Other brokers may have a tradition of going out for lunch during the break which under our Proposal would be from 12:00 to 13:00 (Option 1) or to 13:30 (Option 2). With other regional markets such as Tokyo and Singapore considering shortening or scrapping their lunch breaks, our Proposal aims to strike a balance between maintaining the lunch break and increasing the overlap of our trading hours with the Mainland's for strategic benefit.
28. **Time for working on non-trading tasks during the shorter lunch break will be reduced.** Some brokers may process trade confirmations or perform client-related or other work during the lunch break and could find the shorter break inconvenient. We understand that order and trade confirmations are mostly done electronically nowadays and the process is often overseen by dedicated back office staff not involved in trading. However, we recognise some brokers may still perform certain manual tasks⁸ after the close of the morning CTS, in which case a shorter lunch break would affect their operations.
29. **Window for issuer announcements will be shorter during lunch break.** If the lunch break is shortened from 2 hours to 1 hour (Option 1) or 1.5 hours (Option 2) as proposed, the publication window for issuers to issue announcements during the lunch break will be shortened to between 12:00 to 12:30 or 12:00 to 13:00 respectively. Based on the statistics of the first seven months of 2010, we observe that about 94% of issuer announcements in Hong Kong were made before market open or after market close, and the remaining 6% were made during lunch break with most of them being issued within 0.5 hours after the close of the morning CTS. Hence, we believe the shortening of the lunch break will not have a material impact on the way issuer announcements are disseminated. Nonetheless, investors and market participants will have less time to review the announcements before the afternoon CTS. For media specialising in real time financial news, the window for them to report or comment on the market news and announcements before the afternoon CTS opens will be narrowed.

⁷ Currently the publication windows are from 06:00-09:00, 12:30-14:00 and 16:15-23:00.

⁸ For example, account executives may use the 2-hour window to conduct face-to-face client meetings and collect cheques or scrip for settlement.

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30. **Industry seminars for market practitioners and investing public conducted through lunch break will be affected.** Currently, certain industry-related seminars, courses granting CPT⁹ hours to industry practitioners, and IPO roadshows and other equity capital market events are held during lunch break. With the earlier and shorter lunch break under our Proposal, the organisation of and participation in these events may be affected and the organisers, industry practitioners and investing public may need to make corresponding changes.

⁹ CPT refers to Continuous Professional Training.

PART 4: QUESTIONS FOR RESPONSE

The following is the complete list of questions for reference. Please respond through the questionnaire. A softcopy of which in word format is available at <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2010093q.doc>.

Section I: HKEx's Proposal

Change (A): Advance the morning continuous trading session (CTS) by 0.5 hours. The morning CTS of the securities and stock futures/options markets will open at 09:30 and close at 12:00; the index futures/options markets will open at 09:15 and close at 12:00 (i.e. our markets will open at the same time as the Mainland's in the morning).

Change (B): Advance the opening times of the afternoon CTS:

Option 1: the afternoon CTS of all markets will open at 13:00 resulting in a 1-hour lunch break from 12:00 to 13:00 (i.e. our markets will open at the same time as the Mainland's in the afternoon); or

Option 2: the afternoon CTS of all markets will open at 13:30 resulting in a 1.5-hour lunch break from 12:00 to 13:30 (i.e. our markets will open 0.5 hours later than the Mainland's in the afternoon).

1. Do you/your company support *Change (A) of the Proposal*, i.e. advance the morning CTS by 0.5 hours?

Yes, due to reason(s) stated below (multiple selection allowed):

- Better price discovery
- Enhanced compatibility with the Mainland
- Better service to investors
- Strengthened competitiveness
- Other reason(s), please specify:

No, due to reason(s) stated below (multiple selection allowed):

- System/operational issues
- Insufficient time to digest market news before market open
- Business commitments (e.g. morning briefings)
- Longer and earlier working hours
- Other reason(s), please specify:

2. Do you/your company support **Change (B) of the Proposal**, i.e. advance the opening times of the afternoon CTS?

Yes, due to reason(s) stated below (multiple selection allowed):

- Better price discovery
- Enhanced compatibility with the Mainland
- Better service to investors
- Strengthened competitiveness
- Other reason(s), please specify:

No, due to reason(s) stated below (multiple selection allowed):

- System/operational issues
- Insufficient time to digest market news before market open
- Business commitments (e.g. lunch meetings with clients)
- Change of lunch practice
- Other reason(s), please specify:

3. Which of the **two options of Change (B) of the Proposal** would you prefer:

- Option 1: the afternoon CTS of all markets will **open at 13:00 resulting in a 1-hour lunch break from 12:00 to 13:00** (i.e. our markets will open at the same time as the Mainland's in the afternoon)
- Option 2: the afternoon CTS of all markets will **open at 13:30 resulting in a 1.5-hour lunch break from 12:00 to 13:30** (i.e. our markets will open 0.5 hours later than the Mainland's in the afternoon)

Remarks:

4. **(For respondents representing your company's view)**

If Changes (A) and (B) in the Proposal are adopted, does your company need to prepare for implementation? How much **lead time** would be required?

Section II: Auction Sessions

No change in the auction sessions except that they will move along with the CTS as follows:

- **Morning auction sessions for securities market and index futures/options markets will become 09:00 to 09:30 and 08:45 to 09:15 respectively; and**
- **Afternoon auction session for index futures/options markets will become 12:30 to 13:00 (Option 1) or 13:00 to 13:30 (Option 2).**

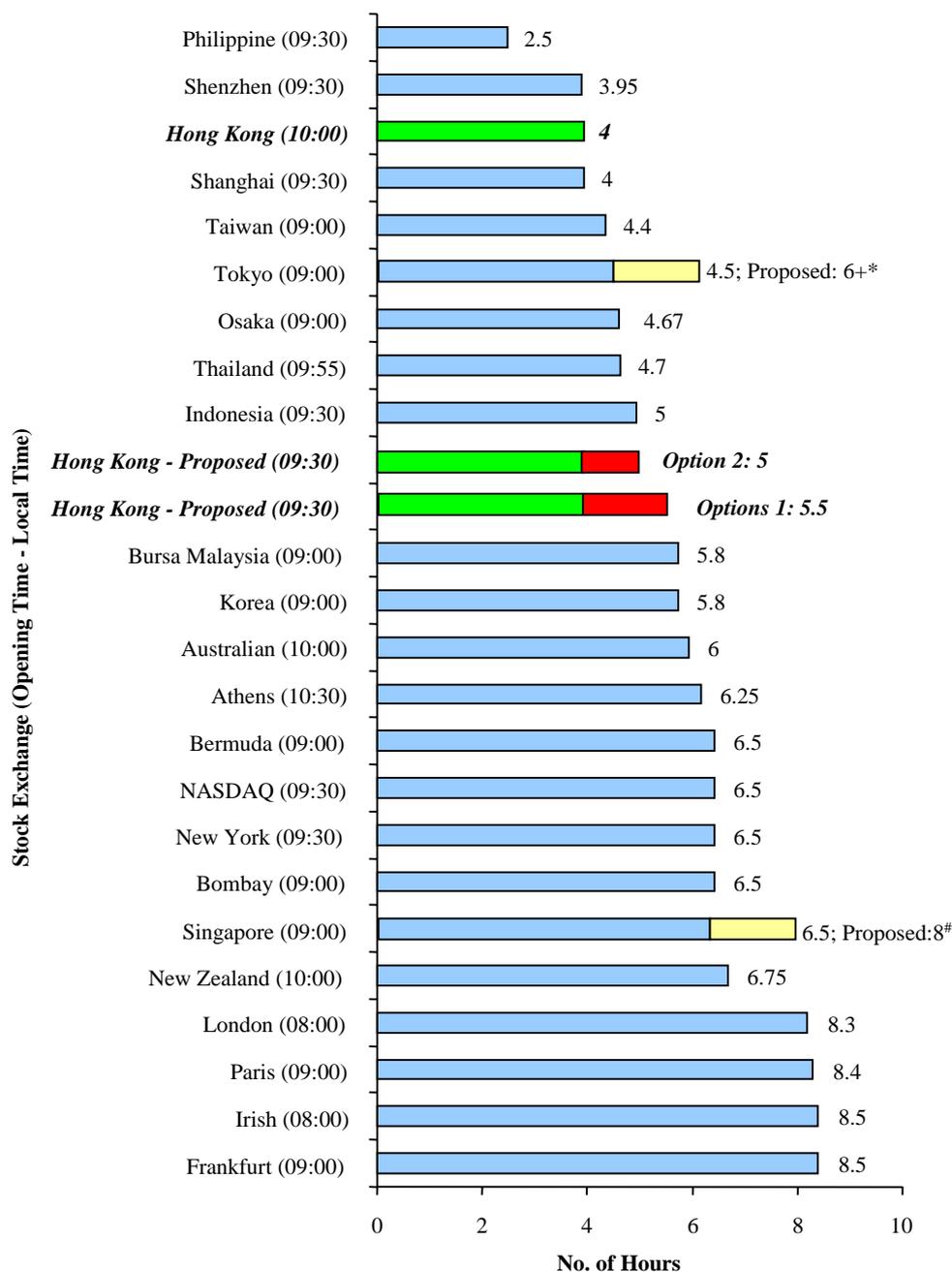
5. If **Change (A)** is adopted, should the **morning auction sessions** remain **0.5 hours**? If not, what is your/your company's suggestion? Please state reason(s).

6. If *Change (B)* is adopted, should the *afternoon auction session* remain *0.5 hours* for Option 1 and Option 2? If not, what is your/your company's suggestion? Please state reason(s).

Section III: Other issues

7. Are there any other issues regarding the Proposal to change trading hours that HKEx should consider?

APPENDIX I: TRADING HOURS OF GLOBAL STOCK EXCHANGES¹⁰



* Tokyo is consulting the market on its proposal to abolish or shorten the existing 1.5-hour lunch break, introduce a night-hour trading session, and move forward the opening of its morning auction session.

[#] It was reported that Singapore Exchange is considering abolition of its lunch break.

¹⁰ Note: Material contained in this Appendix is for background and reference purposes only. The information was compiled on a best-efforts basis through desktop research and discussions with overseas exchanges and market participants.

APPENDIX II: PERSONAL INFORMATION COLLECTION AND PRIVACY POLICY STATEMENT

Provision of Personal Data

1. Your supply of Personal Data to HKEx is on a voluntary basis. “Personal Data” in these statements has the same meaning as “personal data” in the Personal Data (Privacy) Ordinance, Cap 486.

Personal Information Collection Statement

2. This Personal Information Collection Statement is made in accordance with the guidelines issued by the Privacy Commissioner for Personal Data. It sets out the purposes for which your Personal Data will be used after collection, what you are agreeing to in respect of HKEx’s use, transfer and retention of your Personal Data, and your rights to request access to and correction of your Personal Data.

Purpose of Collection

3. HKEx may use your Personal Data provided in connection with this discussion paper for purposes relating to this exercise and for one or more of the following purposes:
 - for performing or discharging HKEx’s functions and those of its subsidiaries under the relevant laws, rules and regulations;
 - for research and statistical purposes;
 - for any other lawful purposes.

Transfer of Personal Data

4. Your Personal Data may be disclosed or transferred by HKEx to its subsidiaries and/or regulator(s) for any of the above stated purposes.
5. Your Personal Data may also be disclosed or transferred to members of the public in Hong Kong and elsewhere as part of the public discussion of this paper, including but not limited to disclosing your name to the public together with the whole or part of your comments by posting them on the HKEx website, publishing them in documents or by other means. If you do not wish your name to be disclosed to members of the public, please state so when responding to this paper.

Access to or Correction of Data

6. You have the right to request access to and correction of your Personal Data in accordance with the provisions of the Personal Data (Privacy) Ordinance. HKEx has the right to charge a reasonable fee for processing any data access request. Any such request for access to and/or correction of your Personal Data should be addressed to the Personal Data Privacy Officer of HKEx in writing by either of the following means:

By mail to: Personal Data Privacy Officer
Hong Kong Exchanges and Clearing Limited
12th Floor, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

By email to: pdpo@hkex.com.hk

Retention of Personal Data

7. Your Personal Data will be retained for such period as may be necessary for the carrying out of the above-stated purposes.

Privacy Policy Statement

8. HKEx is firmly committed to preserving your privacy in relation to Personal Data supplied to HKEx on a voluntary basis. Personal Data may include names, addresses, e-mail addresses, login names, etc, which may be used for the stated purposes when your Personal Data is collected. The Personal Data will not be used for any other purposes without your consent unless such use is permitted or required by law.
9. HKEx has security measures in place to protect against the loss, misuse and alteration of Personal Data supplied to HKEx. HKEx will strive to maintain Personal Data as accurately as reasonably possible and Personal Data will be retained for such period as may be necessary for the stated purposes and for the proper discharge of the functions of HKEx and those of its subsidiaries.

APPENDIX III: GLOSSARY

A+H share	An H share listed on the Stock Exchange of Hong Kong which is also listed as an A share on one of the Mainland exchanges
Auction sessions	Auction sessions refer to the Pre-opening Session of our securities market and Pre-market Opening of our index futures/options markets
CEPA	Mainland and Hong Kong Closer Economic Partnership Arrangement
CHATS	HKD Clearing House Automated Transfer System
CPT	Continuous Professional Training
CTS	Continuous Trading Sessions
ETF	Exchange Traded Fund
H share	An ordinary share listed on the Stock Exchange of Hong Kong and issued by a company incorporated in the Mainland
HSI	Hang Seng Index
HKEx	Hong Kong Exchanges and Clearing Limited
IPO	Initial Public Offering
QDII	Qualified Domestic Institutional Investors
QFII	Qualified Foreign Institutional Investors
Red Chip	A company incorporated outside the Mainland and listed on the Stock Exchange and controlled by a Mainland entity or entities, by way of direct or indirect shareholding and/or representation on the board of directors
RTGS	Real Time Gross Settlement System, or a funds transfer system where transfer of money or securities takes place from one bank to another on a gross and real time basis (unless specified with special instruction); also known as CHATS
VWAP	Volume-Weighted Average Price

