

The Hong Kong Institute of Chartered Secretaries
Submission on HKEx Consultation Paper on Proposed Changes to Trading Hours

Section I	HKEx's Proposal	
	<p>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).</p> <p>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).</p>	
	Questions	Response
Question (1)	Do you/your company support <i>Change (A) of the Proposal</i> , i.e. advance the morning CTS by 0.5 hours?	<p><input checked="" type="checkbox"/> Yes, due to reason(s) stated below (multiple selection allowed):</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Better price discovery <input checked="" type="checkbox"/> Enhanced compatibility with the Mainland <input checked="" type="checkbox"/> Better service to investors <input checked="" type="checkbox"/> Strengthened competitiveness <input type="checkbox"/> Other reason(s), please specify: _____ _____ _____ <p><input type="checkbox"/> No, due to reason(s) stated below (multiple selection allowed):</p> <ul style="list-style-type: none"> <input type="checkbox"/> System/operational issues <input type="checkbox"/> Insufficient time to digest market news before market open

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		<input type="checkbox"/> Business commitments (e.g. morning briefings) <input type="checkbox"/> Longer and earlier working hours <input type="checkbox"/> Other reason(s), please specify: <hr/> <hr/> <hr/>
Question (2)	Do you/your company support <i>Change (B) of the Proposal</i> , i.e. advance the opening times of the afternoon CTS?	<input checked="" type="checkbox"/> Yes, due to reason(s) stated below (multiple selection allowed): <input checked="" type="checkbox"/> Better price discovery <input checked="" type="checkbox"/> Enhanced compatibility with the Mainland <input checked="" type="checkbox"/> Better service to investors <input checked="" type="checkbox"/> Strengthened competitiveness <input type="checkbox"/> Other reason(s), please specify: <hr/> <hr/> <hr/> <input type="checkbox"/> No, due to reason(s) stated below (multiple selection allowed): <input type="checkbox"/> System/operational issues <input type="checkbox"/> Insufficient time to digest market news before market open <input type="checkbox"/> Business commitments (e.g. lunch meetings with clients) <input type="checkbox"/> Change of lunch practice <input type="checkbox"/> Other reason(s), please specify: <hr/> <hr/> <hr/>

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Question (3)	Which of the <i>two options of Change (B) of the Proposal</i> would you prefer:	<p>Which of the <i>two options of Change (B) of the Proposal</i> would you prefer:</p> <p><input type="checkbox"/> Option 1: the afternoon CTS of all markets will <i>open at 13:00 resulting in a 1-hour lunch break from 12:00 to 13:00</i> (i.e. our markets will open at the same time as the Mainland's in the afternoon)</p> <p><input checked="" type="checkbox"/> Option 2: the afternoon CTS of all markets will <i>open at 13:30 resulting in a 1.5-hour lunch break from 12:00 to 13:30</i> (i.e. our markets will open 0.5 hours later than the Mainland's in the afternoon)</p> <p><u>Remarks:</u></p> <ul style="list-style-type: none"> • Any proposals should provide for at least a one-hour lunch time publication window in order to allow sufficient time to check the announcement (English and Chinese) before publication. • The alternative is to allow issuers to announce results during trading hours. The issue of lunch time publication window will no longer exist. This is also in line with practices of leading jurisdictions such as the UK and USA.
Question (4)	<i>(For respondents representing your company's view)</i> If Changes (A) and (B) in the Proposal are adopted, does your company need to prepare for implementation? How much <i>lead time</i> would be required?	Not applicable
Section II	Auction Sessions	
	<p>No change in the auction sessions except that they will move along with the CTS as follows:</p> <ul style="list-style-type: none"> • 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). 	

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Question (5)	If <i>Change (A)</i> is adopted, should the <i>morning auction sessions</i> remain 0.5 hours? If not, what is your/your company's suggestion? Please state reason(s).	Our members have no views on this.
Question 6	If <i>Change (B)</i> is adopted, should the <i>afternoon auction session</i> remain 0.5 hours for Option 1 and Option 2? If not, what is your/your company's suggestion? Please state reason(s).	Our members have no views on this.
Section III	Other issues	
Question (7)	Are there any other issues regarding the Proposal to change trading hours that HKEx should consider?	HKEx should revisit the issue of allowing issuers to announce results during trading hours.

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