

CONSULTATION PAPER
ON
THE REDUCTION OF MINIMUM SPREADS

August 2004



Hong Kong Exchanges and Clearing Limited

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EXECUTIVE SUMMARY

- i. The purpose of this consultation paper is to seek views and comments from market practitioners, listed companies, investors, members of the public and Exchange Participants on the suggestion of reducing the minimum spreads so as to increase the competitiveness of our market, improve market operating efficiency and boost market liquidity. Minimum spreads are the minimum price fluctuations of orders and transactions in the Stock Exchange's Automatic Order Matching and Execution System (AMS).
- ii. The principle is that the suggestion, when implemented, should be a suitable scale of minimum spreads for securities traded on Hong Kong Exchanges and Clearing Limited (HKEx) on a long-term basis without major disadvantages to a particular group of market participants. Implementing a new scale of minimum spreads will require effort and may involve investments by different parties, therefore any decision to change should be supported by benefits and taken with care and prudence. Once HKEx has received responses to this consultation, it will assess whether the market as a whole would benefit from the changes. The implementation of any changes to minimum spreads would be subject to the responses from the market, cost and benefit analyses and the approval of the Securities and Futures Commission (SFC).
- iii. Through discussions with various market participants and review of relevant literature, a variety of opinions about minimum spreads were obtained. Some widely held views and comments are summarised in Section B – Market Opinions.
- iv. HKEx proposes for comment a reduction in minimum spreads in a phased approach as detailed in Section C and summarised below. Alternative proposals are also welcome.
 - In Phase 1, to reduce minimum spreads for shares priced above \$30 by expanding a continuous range from \$5 (in which the current spread is \$0.05) to \$100, and reducing the spread to \$0.10 above \$100. In addition, to provide for future market development without further adjustment, prices from \$100 to \$9,995 would have ranges in which the maximum spread is 0.10% and the minimum spread is 0.05% or 0.04%. This “neutral” approach means that whether a stock is priced at \$50, \$500 or \$5,000 the maximum and minimum spreads will be the same. The pattern of ranges and spreads would follow a consistent “1-2-5” progression, that is, \$100, \$200, \$500 and \$0.10, \$0.20, \$0.50.

- Assuming Phase 1 is supported and implemented, HKEx will review the market experience and determine whether to implement a Phase 2. If Phase 1 shows positive results, Phase 2 would be implemented in four to six months after Phase 1. We propose for comment two options for Phase 2 being :

Option A – To reduce spreads for shares priced between \$2 and \$20, resulting in a maximum spread of 0.25% or 0.20% and a minimum spread of 0.10% in each new range; or

Option B – To reduce spreads for shares priced between \$0.25 and \$20 on the same basis as Option A, by additionally introducing a continuous range from \$0.01 to \$1.00 in which the spread is \$0.001, followed by a range from \$1 to \$2 in which the spread is \$0.002.

- v. HKEx believes that changes in minimum spreads should be implemented cautiously and for that reason proposes the phased approach. The advantage of this approach is that the market can gain experience with Phase 1 of spread reductions and prepare for Phase 2. Meanwhile, Phase 1 can be reviewed and operational or other issues addressed.

A. INTRODUCTION

1. The Hong Kong securities market is primarily an order driven market. Orders in continuous trading are automatically matched and executed in strict price and time priority in the AMS of HKEx. Unfilled orders are kept in AMS's central order book in order queues in price and time sequence. A pre-defined scale of minimum spreads, which sets the smallest allowable change in prices, is implemented for orderly price movements in AMS. The spread is also known as the difference between the best bid price and the best ask price.

2. The current minimum spread table for equities has 10 minimum spreads ranging from \$0.001 to \$2.50 depending on the price range of the securities, as shown in Table 1 below. It has been in use since its last revision in 1994. AMS does not currently support spreads below \$0.001, thus the high percentage spread for very low-priced shares.

Table 1: Current Minimum Spread Table for Equities Traded on HKEx

Price (HK\$)	Minimum Spread (HK\$)	Range of Minimum Spread as a Percentage of Price	
		Max	Min
0.01 to 0.25	0.001	10.00%	0.40%
Over 0.25 to 0.50	0.005	2.00%	1.00%
Over 0.50 to 2.00	0.010	2.00%	0.50%
Over 2.00 to 5.00	0.025	1.25%	0.50%
Over 5.00 to 30.00	0.050	1.00%	0.17%
Over 30.00 to 50.00	0.100	0.33%	0.20%
Over 50.00 to 100.00	0.250	0.50%	0.25%
Over 100.00 to 200.00	0.500	0.50%	0.25%
Over 200.00 to 1,000.00	1.000	0.50%	0.10%
Over 1,000.00 to 9,995.00	2.500	0.25%	0.03%

3. Internationally, approaches and scales for minimum spreads vary in different markets. Markets in the United States, Germany and Mainland China use a small, single minimum spread for all share prices. Other markets, such as Hong Kong, Singapore, Tokyo, Euronext, London, South Korea and Australia, use progressive minimum spread scales with larger minimum spreads for higher share prices. Minimum spreads also vary as a percentage of share price among exchanges. A list of minimum spreads and related percentages of share price adopted by various exchanges is presented in Table 2.

Table 2: Minimum Spreads for Shares at Various Exchanges

Exchanges	Minimum Spread Table for Shares		Range of Minimum Spread as a Percentage of Price	
	Price	Minimum Spread	Max	Min
Australian Stock Exchange (in AUD)	0.01 to 0.10	0.001	10.00%	1.00%
	0.10 to 0.50	0.005	5.00%	1.00%
	0.50 to 998.99	0.010	2.00%	0.001%
	over 999.00	1.000	0.10%	N.A.
Deutsche Boerse (in EUR)	All shares	0.010	N.A.	N.A.
Euronext (in EUR)	up to 50.00	0.010	N.A.	0.02%
	50.00 to 100.00	0.050	0.10%	0.05%
	100.00 to 500.00	0.100	0.10%	0.02%
	over 500.00	0.500	0.10%	N.A.
Korea Stock Exchange (in KRW)	less than 5,000.00	5.000	N.A.	0.10%
	5,000.00 to 10,000.00	10.000	0.20%	0.10%
	10,000.00 to 50,000.00	50.000	0.50%	0.10%
	50,000.00 to 100,000.00	100.000	0.20%	0.10%
	100,000.00 to 500,000.00	500.000	0.50%	0.10%
	over 500,000.00	1,000.000	0.20%	N.A.
London Stock Exchange (in PENCE, GBP)	up to 500.00	0.250	N.A.	0.05%
	500.00 to 1,000.00	0.500	0.10%	0.05%
	over 1,000.00	1.000	0.10%	N.A.

Exchanges	Minimum Spread Table for Shares		Range of Minimum Spread as a Percentage of Price	
	Price	Minimum Spread	Max	Min
New York Stock Exchange / NASDAQ (in USD)	All securities	0.010	N.A.	N.A.
Shanghai Stock Exchange / Shenzhen Stock Exchange (in RMB)	All securities	0.010	N.A.	N.A.
Singapore Stock Exchange (in SGD)	up to 1.00	0.005	N.A.	0.50%
	1.00 to 3.00	0.010	1.00%	0.33%
	3.00 to 5.00	0.020	0.67%	0.40%
	5.00 to 10.00	0.050	1.00%	0.50%
	over 10.00	0.100	1.00%	N.A.
Tokyo Stock Exchange (in JPY)	up to 2,000.00	1.000	N.A.	0.05%
	2,000.00 to 3,000.00	5.000	0.25%	0.17%
	3,000.00 to 30,000.00	10.000	0.33%	0.03%
	30,000.00 to 50,000.00	50.000	0.17%	0.10%
	50,000.00 to 100,000.00	100.000	0.20%	0.10%
	100,000.00 to 1 million	1,000.000	1.00%	0.10%
	1 million to 20 million	10,000.000	1.00%	0.05%
	20 million to 30 million over 30 million	50,000.000 100,000.000	0.25% 0.33%	0.17% N.A.

B. MARKET OPINIONS

4. Through discussions with market participants including investors, traders, investment bankers and brokers, and reviews of academic studies as well as local and overseas commentaries, some widely held views and comments on minimum spread reduction have been collected and are presented in this section.

MARKET LIQUIDITY

5. Some market participants believe that a reduction of minimum spreads may help increase liquidity. With a reduction of minimum spreads, investors will be able to buy and sell stocks at more price levels than before and this may stimulate their trading interest.
6. Some market participants consider that reducing the minimum spreads would help improve market efficiency, leading to an increase in trading volume. This is because a narrower bid-ask spread would increase the chance of order execution at the marginal prices inside the current spreads. For example, when the bid/ask prices of a stock are at \$100.00/\$100.50 with a \$0.50 minimum spread, investors who may wish to buy or sell at the four intervening \$0.10 intervals are unable to do so. With a smaller minimum spread at \$0.10, orders at these prices could be accepted and executed.
7. Some market participants comment that the minimum spreads of HKEx are the largest among developed markets. HKEx minimum spreads are closer to those in regional markets such as Singapore, Korea, and Tokyo. The minimum spreads of the London and New York Stock Exchanges are much smaller and there are suggestions liquidity may have shifted from the Hong Kong market to overseas markets. A reduction of minimum spreads may help regain liquidity. However, minimum spreads are probably not the overriding consideration in relation to where Hong Kong stocks trade. Other important factors include time zone differences, taxes, and access to capital. We also note the view that trading of Hong Kong stocks by overseas investors increases demand and creates a “bigger pie” to the benefit of Hong Kong.

TRANSACTION COSTS

8. Several commentators suggested that some investors prefer a spread that is of sufficient size to cover their transaction costs in buying and selling shares. The main transaction costs for a purchase and sale might amount to about 0.724% of transaction value representing the following for each of the purchase and sale: brokerage commission at say 0.25%; stamp duty at 0.10%; and 0.012% covering HKEx fee, SFC levy and Compensation Fund levy. The current spread table provides spreads sufficient to cover these transaction costs for some stocks priced below \$30.00 depending on where the price falls within the range as shown in Table 1 above. We note that brokerage commission rates are now fully negotiable and market rates may be below 0.25%.
9. Many market participants consider the bid-ask spread as a component of transaction costs, which also include stamp duty, brokerage commission, and other fees and charges. A reduction of minimum spreads may narrow the bid-ask spread, reduce the transaction costs and stimulate investors' trading interest. This would have a positive impact on market liquidity.
10. Reduction of minimum spreads may increase hedging and arbitrage activities in the derivatives market. Derivatives market users and index arbitrageurs anticipate that hedging costs imbedded in the underlying bid-ask spreads will be reduced if the minimum spreads of the underlying stocks are narrowed. For index arbitrage activities, the major costs involved are stamp duty and bid-ask spreads in the underlying stocks. Narrowing the minimum spreads in the underlying stocks would reduce one of the major arbitrage costs.
11. Bid-ask spreads quoted by market makers of stock options and futures and index options could also be narrowed with a reduction in the minimum spreads for equities. This is because market makers typically factor in as a cost the minimum spread for the underlying product. This is further reflected in the regulations for stock options market makers who are not obliged to quote a spread that is narrower than the spread for the underlying stock.

12. Narrower minimum spreads may also stimulate trading in Exchange Traded Funds, derivative warrants and Equity Linked Instruments. Market makers of Exchange Traded Funds generally prefer lower minimum spreads for ease of arbitrage, and they support reducing minimum spreads. Fund managers generally favour reducing minimum spreads whilst sponsors we consulted were not too concerned with spreads as spreads in general only affect secondary market trading.

PRICE RISK

13. Some market participants consider that lower minimum spreads will reduce price risk as traders may be able to unwind their positions more easily with a smaller minimum spread. Reducing minimum spreads may reduce intraday price volatility due to price fluctuations within a narrower range.

TRADING BEHAVIOUR

14. With a reduction of minimum spreads, the market depth at the best bid and ask prices may decrease because investors will be able to place orders at more price levels. Market participants may shift their trading strategies from limit orders to market orders. However, these potential behaviour changes may not be permanent. If market depth is spread over more prices, some orders may involve more trades to complete and generate more trade confirmations with related back office workload.
15. Today, some traders may place buy orders at the best bid and sell orders at the best ask, with one spread in between, and earn a profit due to the bid-ask spread. With a reduction of minimum spreads, there may be less incentive for these traders, resulting in less market liquidity.
16. Some market participants consider that the minimum spreads for lower-priced stocks are already small. They suggest that investors, particularly retail investors, are usually more sensitive to price changes in absolute value rather than percentage changes in value.
17. Some market participants comment that some investors may benchmark their trading strategies by the number of spreads that the share price moves. If the minimum spread is large enough, they may take profit if the share price moves up by just one or two spreads. However, with the reduction of minimum spreads, the same profit will involve more minimum spreads.

18. Some market participants comment that Hong Kong has a high level of transparency – broker queues are displayed on stock pages and investors can track the position of their orders in the order book and the status of their orders on information terminals. The transparency of the order queue when combined with a reduction of minimum spreads might encourage frequent order modifications and cancellations by investors as market prices move up or down.

MARKET AND BROKER CONCERNS

19. Some Exchange Participants consider that the current minimum spreads have been in use since 1994 and no particular problems have arisen; they believe there is not an overwhelming need to change. A new scale of minimum spreads may cause confusion in the market.
20. Some Exchange Participants are concerned that if a reduction of minimum spreads significantly increases order modifications and cancellations by investors, the loading on their systems and the workload of traders may increase. As a result, they may have to upgrade their systems and incur additional investment. However, some market participants commented that the increase in order modifications may not be significant or permanent.
21. A reduction of minimum spreads for some products may cause additional workload for market makers and liquidity providers in making two-way quotes. The market makers and liquidity providers nevertheless support lower minimum spreads.
22. Currently stock pages can display the market depth of the best five order queues on each bid/ask side. A reduction of minimum spreads may lower the transparency of market depth as market depth is spread over more price levels.
23. Some Exchange Participants consider that investors would substantially increase their requests for real-time stock quotes after a reduction of minimum spreads and that would increase their cost of providing real-time data.
24. Some Exchange Participants comment that a reduction of minimum spreads would engender system changes and other operational arrangements. As mentioned, back office workload could be increased.

ACADEMIC STUDIES

25. Various academic studies have been conducted on reduction of minimum spreads. A review of several studies has shown that there is no consensus among academics about the optimal size of minimum spreads and that the impact resulting from a reduction of minimum spreads is uncertain. Different academic studies arrive at different results even when studying the same market. One suggests a reduction of minimum spreads increases turnover and market depth whilst decreasing bid-ask spreads. Another suggests reduced turnover and depth may result or that there is no correlation of these factors with minimum spreads.

C. PROPOSALS FOR COMMENT

26. HKEx proposes for comment a reduction in minimum spreads in a phased approach as summarised below. Alternative proposals are also welcome.

- In Phase 1, to reduce minimum spreads for shares priced above \$30 by expanding a continuous range from \$5 (in which the current spread is \$0.05) to \$100, and reducing the spread to \$0.10 above \$100. In addition, to provide for future market development without further adjustment, prices from \$100 to \$9,995 would have ranges in which the maximum spread is 0.10% and the minimum spread is 0.05% or 0.04%. This “neutral” approach means that whether a stock is priced at \$50, \$500 or \$5,000 the maximum and minimum spreads will be the same. The pattern of ranges and spreads would follow a consistent “1-2-5” progression, that is, \$100, \$200, \$500 and \$0.10, \$0.20, \$0.50.
- Assuming Phase 1 is supported and implemented, HKEx will review the market experience and determine whether to implement a Phase 2. If Phase 1 shows positive results, Phase 2 would be implemented in four to six months after Phase 1. We propose for comment two options for Phase 2 being :

Option A — To reduce spreads for shares priced between \$2 and \$20, resulting in a maximum spread of 0.25% or 0.20% and a minimum spread of 0.10% in each new range; or

Option B — To reduce spreads for shares priced between \$0.25 and \$20 on the same basis as Option A, by additionally introducing a continuous range from \$0.01 to \$1.00 in which the spread is \$0.001, followed by a range from \$1 to \$2 in which the spread is \$0.002.

- HKEx believes that changes in minimum spreads should be implemented cautiously and for that reason proposes the phased approach. The advantage of this approach is that the market can gain experience with Phase 1 of spread reductions and prepare for Phase 2. Meanwhile, Phase 1 can be reviewed and operational or other issues addressed.

27. The proposed minimum spreads for Phase 1 are presented in Table 3 below:

Table 3: Proposed Minimum Spreads — Phase 1

Prices from (HK\$)	Current Minimum Spread	Phase 1 (>\$30)		
		Proposed Minimum Spread	Max	Min
0.01	0.001	No Change	10.00%	0.40%
0.25	0.005	No Change	2.00%	1.00%
0.50	0.010	No Change	2.00%	0.50%
2.00	0.025	No Change	1.25%	0.50%
5.00	0.050	No Change	1.00%	0.17%
30.00	0.100	0.050	0.17%	0.10%
50.00	0.250		0.10%	0.05%
100.00	0.500	0.100	0.10%	0.05%
200.00	1.000	0.200	0.10%	0.04%
500.00		0.500	0.10%	0.05%
1,000.00	2.500	1.000	0.10%	0.05%
2,000.00		2.000	0.10%	0.04%
5,000.00 to 9,995.00		5.000	0.10%	0.05%

28. For Phase 2, Option A proposes to reduce spreads for shares priced between \$2.00 and \$20.00 whilst also adopting a new narrower spread table as shown in Table 4.

Table 4: Proposed Minimum Spreads — Option A of Phase 2

Prices from (HK\$)	Minimum Spread after Phase 1 (>\$30)	Phase 2 — Option A(>\$2.00)		
		Proposed Minimum Spread	Max	Min
0.01	0.001	No Change	10.00%	0.40%
0.25	0.005	No Change	2.00%	1.00%
0.50	0.010	No Change	2.00%	0.50%
2.00	0.025	0.005	0.25%	0.10%
5.00	0.050	0.010	0.20%	0.10%
10.00		0.020	0.20%	0.10%
20.00		No Change After Phase 1	0.25%	0.05%
100.00	0.100	No Change After Phase 1	0.10%	0.05%
200.00	0.200	No Change After Phase 1	0.10%	0.04%
500.00	0.500	No Change After Phase 1	0.10%	0.05%
1,000.00	1.000	No Change After Phase 1	0.10%	0.05%
2,000.00	2.000	No Change After Phase 1	0.10%	0.04%
5,000.00 to 9,995.00	5.000	No Change After Phase 1	0.10%	0.05%

29. For Phase 2, Option B proposes to reduce spreads for shares priced between \$0.25 and \$20.00 whilst also adopting the new narrower spread table as shown in Table 5.

Table 5: Proposed Minimum Spreads — Option B of Phase 2

Prices from (HK\$)	Minimum Spread after Phase 1 (>\$30)	Phase 2 — Option B (>\$0.25)		
		Proposed Minimum Spread	Max	Min
0.01	0.001	0.001	10.00%	0.10%
0.25	0.005			
0.50	0.010			
1.00		0.002	0.20%	0.10%
2.00	0.025	0.005	0.25%	0.10%
5.00	0.050	0.010	0.20%	0.10%
10.00		0.020	0.20%	0.10%
20.00		No Change After Phase 1	0.25%	0.05%
100.00	0.100	No Change After Phase 1	0.10%	0.05%
200.00	0.200	No Change After Phase 1	0.10%	0.04%
500.00	0.500	No Change After Phase 1	0.10%	0.05%
1,000.00	1.000	No Change After Phase 1	0.10%	0.05%
2,000.00	2.000	No Change After Phase 1	0.10%	0.04%
5,000.00 to 9,995.00	5.000	No Change After Phase 1	0.10%	0.05%

30. Currently equity warrants, derivative warrants, Exchange Traded Funds, Equity Linked Instruments and unit trusts traded on HKEx follow the same minimum spreads for equities. In some overseas markets, the trading of Exchange Traded Funds and warrants follows the minimum spreads applicable to the underlying shares; but in others, it follows a narrower minimum spread, such as one cent. It is proposed for comment that the minimum spreads under the proposals above be applied to the trading at HKEx of equity warrants, derivative warrants, Exchange Traded Funds, Equity Linked Instruments and unit trusts.
31. It should be noted that minimum spreads of \$0.05 will be applied to all debt securities effective on 9 August 2004.

NUMBER OF SECURITIES AFFECTED

32. As of 30 June 2004, the number of listed stocks involved, market turnover and market capitalisation for each of the above proposals are tabulated as follows:

	Phase 1	Phase 2	
	(>\$30)	Option A (>\$2.00)	Option B (>\$0.25)
No. of stocks affected	20	256	735
% of stocks affected	2%	24%	69%
% of market turnover (stocks)	30%	93%	99%
% of market capitalisation (stocks)	48%	92%	99%

COVERAGE OF DERIVATIVES

33. As mentioned, reduction of minimum spreads for equities is expected to have significant benefits for related derivatives traded at HKEx. As of June 2004, Table 6 shows how Phase 1 and Phase 2 would extend to stocks underlying HKEx derivatives products.

Table 6: Stocks Underlying HKEx Derivatives Products

Share Prices	Phase 1	Phase 2	
	(>\$30.00)	Option A (>\$2.00)	Option B (>\$0.25)
No. of HSI stocks covered (totally 33 stocks)	11	33	33
No. of HSCEI stocks covered (totally 37 stocks)	0	33	37
No. of stocks underlying stock options covered (totally 37 stock option classes)	9	37	37
No. of stocks underlying stock futures covered (totally 36 stock futures)	9	36	36
No. of stocks underlying warrants covered (totally 40 stocks eligible for warrants)	7	36	40

QUOTATION RULES

34. Order input prices are currently governed by the quotation rules of the Rules of the Exchange. The quotation rules are designed, among other things, to ensure that only order prices within a certain range, currently at ± 8 spreads of the best bid/ask prices are entered into the trading system.
35. With a reduction of minimum spreads, the order input price range will be reduced and the operating efficiency of market participants may be affected. As a result, the quotation rules will have to be revised. Under the proposal of Phase 1, the minimum spreads for existing securities will be reduced by a minimum of fifty percent (e.g. from \$0.10 to \$0.05 for shares prices from \$30 to \$50). It is proposed for comment to relax the quotation rules from 8 spreads to 20 spreads for order input.

ENHANCED LIMIT ORDER (ELO) AND SPECIAL LIMIT ORDER (SLO)

36. Currently, both ELO and SLO match up to two price queues at the same time. With a reduction of minimum spreads, the maximum number of price queues for matching needs to be increased in order to maintain order matching efficiency. At present, each stock page displays the market depth of the best five order queues on each bid/ask side. We propose for comment that the number of matchable queues be increased to five for both ELO and SLO.

MARKET MAKERS' AND LIQUIDITY PROVIDERS' OBLIGATIONS

37. Currently, market makers and liquidity providers of certain products (such as securities in the Pilot Programme, certain ETF and various derivatives) are obliged to enter two-way quotes within specified requirements. A reduction of minimum spreads may mean that the requirements for bid-ask quotes and market making rules need to be revised. HKEx will consider such revisions once a decision is made on the main proposals for reducing minimum spreads.

D. TIME FRAME

38. It is anticipated that the earliest time for the implementation of the reduction of minimum spreads for Phase 1 will be in the first quarter of 2005 after taking into account market comments and readiness and the need for operational or system change to be made.
39. HKEx invites market practitioners, listed companies, investors, members of the public and Exchange Participants to consider the proposals on reduction of minimum spreads and on changes of relevant trading parameters set out in this consultation paper and forward to HKEx their views, suggestions and comments.
40. Please submit your comments to the address below on or before 6 October 2004 to:

Hong Kong Exchanges and Clearing Limited
11th Floor, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Re: Consultation Paper on the Reduction of Minimum Spreads

Comments may also be sent by fax to (852)2868-5223 or by email to feedback@hkex.com.hk. This consultation paper is also available on HKEx website at <http://www.hkex.com.hk>.

The names of persons who submit comments on this consultation paper together with the whole or part of their submissions may be disclosed to members of the public. Statements of HKEx's policy on handling personal data are set out in the Appendix.

APPENDIX

HKE_x STATEMENTS OF POLICY ON PERSONAL DATA

PERSONAL INFORMATION COLLECTION STATEMENT

This Personal Information Collection Statement (“PICS”) is made in accordance with the guidelines issued by the Privacy Commissioner of Personal Data. The PICS sets out the purposes for which the Personal Data of respondents will be used after collection, what these respondents are agreeing to in respect of the Hong Kong Exchanges and Clearing Limited’s (“HKEx”) use of their Personal Data and their rights under the Personal Data (Privacy) Ordinance.

Purpose of Collection

HKEx may use the Personal Data of respondents collected by HKEx in connection with this consultation paper for one or more of the following purposes:

- for performing 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

Personal Data collected may be disclosed by HKEx to members of the public in Hong Kong and elsewhere, as part of the public consultation on this consultation paper.

Access to or Correction of Data

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. If you wish to request access to and/or correction of your Personal Data provided in your submission on this consultation paper, you may do so in writing addressed to:

Personal Data Privacy Officer
Hong Kong Exchanges and Clearing Limited
11th Floor, One International Finance Centre
1 Harbour View Street
Central
Hong Kong
or
feedback@hkex.com.hk

HKEx has the right to charge a reasonable fee for processing any data access request.

PRIVACY POLICY STATEMENT

HKEx is firmly committed to preserving the privacy of respondents in relation to Personal Data supplied to HKEx on a voluntary basis. Personal Data may include names, addresses, e-mail addresses, login names etc. HKEx uses the information 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.

HKEx has security measures in place to protect the loss, misuse and alteration of the Personal Data of respondents. 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 proper discharge of the function of HKEx and those of its subsidiaries.