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香港期貨交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

HONG KONG FUTURES EXCHANGE LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Updates on the Revision on the Capital Adjustment Method for Stock Futures in relation to Spin-offs

Enquiry: HKATS Hotline¹ Tel: 2211-6360

Reference is made to the circular dated 1 March 2022 (Ref: [MO/DT/048/22](#)) and 6 April 2022 (Ref: [LSD/027/2022](#)). Hong Kong Futures Exchange Limited (“HKFE” or “the Exchange”) is pleased to announce that the Exchange has obtained regulatory approval to revise its rules to make two revisions to its capital adjustment methodology in order to protect the market integrity and to maintain an orderly market when there are spin-offs. The updated rules will be effective starting on 8 April 2022.

The two revisions are as follows²:

- 1) Adjustment ratio formula revision
- 2) Introduction of AR floor at 0.1 for calculating the adjusted contract multiplier

Participants should notify all clients trading / holding positions in stock futures contract of the details of trading, clearing, settlement arrangements and the associated risk. Please ensure that your back office systems are ready for a smooth operation in handling the proposed revision. In addition, all your staff should be fully aware of the trading and clearing arrangements and should exercise caution with the proposed revisions when dealing with the standard and adjusted stock futures contracts when advising your clients.

¹ All calls to the HKATS hotline will be recorded. Please refer to the following link for HKEX’s privacy policy statement: http://www.hkex.com.hk/eng/global/privacy_policy.htm

² Details can refer to circular of 1 March 2022 (Ref: [MO/DT/048/22](#))

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This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.

Any information provided in this circular relating to the trading of security futures or how the law may be interpreted is provided for reference generally without considering your specific circumstances and does not constitute legal or other advice from HKFE or any member of the HKEX group. Such information should not be regarded as substitute for professional advice. You should seek independent legal or other professional advice before taking any action to trade any contracts listed on HKFE, whether for yourself or as intermediary on behalf of any other person.