

香港中央結算有限公司  
(香港交易及結算所有限公司全資附屬公司)

**HONG KONG SECURITIES CLEARING COMPANY LIMITED**  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

## 通告 CIRCULAR

**Subject: Introduction of new buy-in exemption for Exchange Traded Funds and Leveraged and Inverse Products transactions**

**Enquiry: CCASS Hotline at 2979 7111 / Email [clearingps@hkex.com.hk](mailto:clearingps@hkex.com.hk)**

Hong Kong Securities Clearing Company Limited ("HKSCC") is pleased to announce the introduction of a new buy-in exemption for certain exchange traded products<sup>1</sup> ("ETP") transactions to give Securities Market Makers one extra day in addition to the standard settlement period to cover any short positions resulting from their market making activities ("ETP buy-in exemption") under a one-year pilot programme with effect from 4 July 2019 ("Programme").

### 1. Eligibility

Clearing Participants may apply to HKSCC for an ETP buy-in exemption under the Programme.

On each trading day, Securities Market Makers, Designated Specialists and their respective Clearing Participants will be notified of the list of ETPs the transactions of which on the next trading day will be eligible for the ETP buy-in exemption<sup>2</sup>. Clearing Participants are reminded to ensure that the ETP transactions are eligible before submitting the ETP buy-in exemption.

### 2. Application Procedures

The Clearing Participant wishing to claim the ETP buy-in exemption must apply to HKSCC not later than 8:00 p.m. on the due date for settlement (ie. T+2) by completing and submitting an Application Form for Exemption of Buy-in (CCASS-Form 59). The Application Form shall be sent by facsimile or such other means as HKSCC may consider appropriate and shall be deemed received when received by HKSCC.

In addition, the Clearing Participant applying for the ETP buy-in exemption is required to provide HKSCC with a copy of the relevant CCASS reports or other supporting documents satisfactory to HKSCC evidencing that the relevant Eligible Securities (ie. ETP units) are available to cover the relevant short positions on T+3.

<sup>1</sup> ETPs include Exchange Traded Funds and Leveraged & Inverse Products

<sup>2</sup> Should any Clearing Participant wish to receive the eligibility notification, please submit request to [ETFs@hkex.com.hk](mailto:ETFs@hkex.com.hk).

HKSCC will review the Programme from time to time and may suspend the availability of the ETP buy-in exemption for any Clearing Participant and any ETP at any time and for such period in its absolute discretion.

For the amendments to the CCASS Operational Procedures relating to the ETP buy-in exemption, please refer to HKSCC Circular (Ref: [LSD/65/2019](#)).

Should you have any questions regarding the above information, please contact CCASS Hotline at 2979-7111.

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