

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: Update on Inclusion of ETFs in Stock Connect**

**Enquiry: Hotline: 2979 7123 <sup>1</sup> / E-mail: [clg@hkex.com.hk](mailto:clg@hkex.com.hk)**

With reference to the HKSCC circular (Ref: [CD/CDCO/CCASS/043/2021](#)) dated 24 December 2021 on the inclusion arrangements of Exchange Traded Funds (ETFs) in Stock Connect, China Connect Clearing Participants (“CCCPs”) are requested to note the following in order to assess if any system or operational changes are required at their end to better prepare for the inclusion of ETFs in Stock Connect:

### Trading arrangements of SSE-listed and SZSE-listed ETFs

Subject to regulatory approval, trading arrangements of SSE-listed and SZSE-listed ETFs will largely follow the existing arrangements for A shares, riding on Stock Connect infrastructure for Northbound trading. Details are set out in the Appendix. The following features are further highlighted as some notable differences would apply to ETFs:

1. ETF spread: RMB0.001 (vs A shares spread: RMB0.01)
2. Daily price limit:  $\pm 10\%$  (and  $\pm 20\%$  for some ETFs specified by [SSE](#) and [SZSE](#)) based on the previous closing price (vs for SSE Main Board and SZSE Main Board:  $\pm 10\%$  (and  $\pm 5\%$  for ST and \*ST stocks); SSE STAR Market and SZSE ChiNext Market:  $\pm 20\%$  for all stocks)
3. Dynamic price limit imposed by SSE/ SZSE will not be applied (vs  $\pm 2\%$  for A shares listed on SSE STAR Market and SZSE ChiNext Market)
4. No Closing Call Auction session for SSE-listed ETFs (vs A shares listed on SSE have a 3-minute Closing Call Auction session from 14:57-15:00); SZSE-listed ETFs and A shares listed on SZSE nonetheless have a Closing Call Auction session
5. Different fees and levies applied to ETFs

<sup>1</sup> All calls to and from the Participant General Enquiry Hotline may be recorded. HKEX Privacy Policy Statement is available [here](#).

### **5-digit CCASS stock codes**

While trading of SSE-listed and SZSE-listed ETFs will follow the SSE and SZSE 6-digit stock code, unlike A shares where their CCASS stock codes bear the same last digits as their SSE and SZSE stock codes, each eligible ETF for Northbound trading will be assigned with a 5-digit CCASS stock code in sequential order from a CCASS stock code range. The CCASS stock code ranges reserved for eligible SSE-listed and SZSE-listed ETFs are 31000 to 31299 and 31300 to 31599 respectively. CCCPs are required to note that the reserved CCASS stock code ranges may be changed from time to time for future expansion and they shall refer to the [list](#) of China Connect Securities for 6-digit stock code to CCASS stock code mappings. The layout of the list of China Connect Securities will be enhanced. The new layout will be announced in due course.

### **Additional information and official launch**

Please note that the inclusion of ETFs in Stock Connect will be subject to regulatory approval and market readiness. Other relevant information such as eligibility criteria and the official launch date will be announced separately.

Please send enquiries on trading arrangements to [trd@hkex.com.hk](mailto:trd@hkex.com.hk) and clearing and settlement arrangements to [clg@hkex.com.hk](mailto:clg@hkex.com.hk).

**Hector Lau**

**Managing Director**

**Clearing & Depository**

**Operations Division**

**Appendix: Summary of Key Features for Northbound Trading<sup>2</sup>**

Inclusion of ETFs in Stock Connect			
<b>Northbound order-routing</b>	Use same system infrastructure (OTP-CSC)		
<b>Trading hours</b>		SSE-listed ETF	SZSE-listed ETF
	Opening call auction	09:15-09:25	
	Continuous auction	09:30-11:30 13:00-15:00	09:30-11:30 13:00-14:57
	Closing call auction	---	14:57-15:00
<b>Eligible investors</b>	All Hong Kong and overseas investors		
<b>Eligible participants</b>	Same as trading of A shares		
<b>Trading currency</b>	RMB		
<b>Spread</b>	RMB 0.001		
<b>Board lot</b>	100 units		
<b>Daily price limit</b>	±10% (and ±20% for such SSE-listed ETFs as specified by <a href="#">SSE</a> and such SZSE-listed ETFs as specified by <a href="#">SZSE</a> )		
<b>Dynamic price limit</b>	Not applicable		
<b>Broker-to-Client Assigned Number (BCAN)</b>	Same as trading of A shares		
<b>Daily quota</b>	Share the same Northbound Daily Quota (RMB 52 billion for Shanghai Connect and Shenzhen Connect separately)		
<b>Pre-trade checking</b>	Same as trading of A shares		
<b>Clearing and other services</b>	<p>(1) Clearing and settlement services will be the same as those for A shares trades under Stock Connect.</p> <p>(2) Hong Kong Securities Clearing Company Limited (HKSCC) will act as nominee holder for Hong Kong and overseas investors to hold SSE-listed and SZSE-listed ETF units under an omnibus account maintained with China Securities Depository and Clearing Corporation (ChinaClear).</p>		

<sup>2</sup> Subject to regulatory approval

Inclusion of ETFs in Stock Connect				
<b>Risk management measures</b>	Same as those for A shares trades under Stock Connect. For details, please visit the <a href="#">HKEX website</a> .			
<b>Applicable fees and levies</b>	<b>Items</b>	<b>Rates for trading SSE-listed and SZSE-listed ETFs</b>	<b>CCASS money ledger transaction code</b>	<b>Charged by</b>
	Handling Fee (經手費)	0.004% of the consideration of a transaction per side	Y3	Exchanges
	Securities Management Fee (證管費)	Waived	Y4	China Securities Regulatory Commission (CSRC)
	Transfer Fee (過戶費)	Waived	Y5	ChinaClear
		0.002% of the consideration of a transaction per side	Y6	HKSCC
	Portfolio Fee	Accrued daily at fixed cumulative % per annum on the total daily stock portfolio value <sup>3</sup>	FE	HKSCC
	<p>Note:</p> <p>(1) It is currently envisaged that the above fees and taxes, subject to final confirmation from/clarification with the relevant authorities, will be applicable to the trading and clearing of ETFs for Northbound trading.</p> <p>(2) Effective 1 Jan 2020, the Securities and Futures Commission (SFC) investor compensation regime has been expanded to cover Northbound trading through the China Connect Service. The collection of Investor Compensation Levy is currently suspended</p>			

<sup>3</sup> For details on Portfolio Fee, please refer to the [HKEX website](#).

### Inclusion of ETFs in Stock Connect

and its reinstatement (if needed) will take effect upon announcement by the SFC.

- (3) The Portfolio Fee will be collected in HKD and other fees and levies will be collected in RMB. The fees charged by HKSCC may change subject to the SFC's approval.
- (4) The Handling Fee and Transfer Fee listed above are charged on the consideration of the relevant transaction on a per side basis. Note that they are applicable only to the side of the transaction from Hong Kong.
- (5) Other Northbound trading related fees and charges imposed by HKSCC on A shares will continue to apply to ETFs.
- (6) Stamp Duty for trading SSE-listed and SZSE-listed ETFs (CCASS money ledger transaction code: Y2) to be specified by relevant Mainland authorities.