

香港聯合交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

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

通告 CIRCULAR

Subject: **VOLATILITY CONTROL MECHANISM (VCM) AND PRE-OPENING SESSION (POS) ENHANCEMENTS IN THE SECURITIES MARKET – IMPLEMENTATION DETAILS**
Enquiry: **Participant General Enquiry Hotline¹ (Tel: 2840 3626 E-mail: trd@hkex.com.hk)**

Reference is made to the Exchange's circular (Ref. No.: [CT/131/19](#)) regarding the implementation of VCM and POS enhancements in the securities market this year. Exchange Participants (EPs) are requested to note that the tentative launch date for the expansion of VCM stock coverage and tiered triggering thresholds (VCM Phase 1 Enhancement) will be in May 2020, while that for the enhanced POS will be in October 2020. VCM Phase 2 Enhancement (i.e. allowing multiple triggers for each trading session) will be rolled out subject to a review of market operations six months after VCM Phase 1 Enhancement, and the exact date will be further announced closer to the rollout.

EPs should also note the following information and activities in preparation for the launch of the two initiatives:

EP Briefing

HKEX has arranged a briefing session to enable EPs to have a better understanding of the enhanced VCM and POS models, technical details and their implementation timeline. In view of the coronavirus outbreak, the briefing session has been pre-recorded and made available for online viewing. EPs should refer to the [briefing video](#) and [presentation material](#) which have been posted on the [project web corner](#). Any enquiries regarding the VCM and POS enhancements can be directed to the contacts mentioned at the end of the presentation.

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

Market Preparation Activities for Rollout of VCM Phase 1 Enhancement

To allow all EPs to get ready for the implementation of VCM Phase 1 Enhancement, an End-to-End (E2E) Test Session will be arranged from **23 March (Monday) to 27 March (Friday) 2020**.

Participation is optional.

After the completion of the E2E test session for VCM Phase 1 Enhancement, an optional Practice Session will be arranged in mid-April 2020 for EPs to familiarize themselves further with the rollout of VCM Phase 1 Enhancement. Details of the Practice Session will be further announced.

The [VCM Information Book](#) has also been updated to reflect the changes introduced by VCM Phase 1 Enhancement.

Market Preparation Activities for Rollout of POS Enhancement

The E2E Test Session and the Market Rehearsal for POS Enhancement, both of which are mandatory for EPs to participate, are tentatively scheduled to take place in July 2020 and September 2020 respectively. Further details will be announced in due course.

Sally Kwok
Senior Vice President
Cash Trading
Markets Division