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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: **LAUNCH OF PRE-OPENING SESSION (POS) ENHANCEMENTS ON 19 OCTOBER 2020**

Enquiry: **Participant General Enquiry Hotline¹ (Tel: 2840 3626 E-mail: trd@hkex.com.hk)**

Further to the Exchange Circular (Ref. No.: [CT/102/20](#)), the Exchange is pleased to announce that following the successful completion of all market testing, confirmation by Exchange Participants (EPs) of their readiness and the relevant regulatory approvals, the enhanced POS will be launched on **19 October 2020 (Monday)**.

Applicable Securities for POS and Closing Auction Session (CAS)

As a reminder, the enhanced POS will no longer cover all securities but **all equities (including depository receipts, investment companies, preference shares and stapled securities), funds (including Exchange Traded Funds (ETFs) and REITs) and leveraged and inverse products (L&I Products) (together the POS Securities)**. For consistency, **L&I Products will also be included in CAS starting from the same date to ensure consistency of stock coverage in both opening and closing auctions**. The full list of POS and CAS Securities may be obtained by filtering the "POS Eligible" indicator (or "CAS Eligible" in the case of CAS Securities) from the [Full List of Securities](#) which will be available on HKEX website upon launch.

Enhanced POS Trading Arrangements for Exchange Traded Products (ETPs) on their First Day of Listing (listing day)

In order to prevent extreme price movement during POS for ETPs (covering ETFs and L&I Products) on their listing day, on top of the enhanced POS features concluded and announced previously, another fine-tuned feature will be introduced, i.e. the $\pm 15\%$ price limit during POS to be also applied to ETPs on their listing day², and the ETP's pre-IPO net asset value per unit (NAV) will be used as the POS reference price for price validation. Going forward, ETP issuers will be

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

² In HKEX's original plan, the $\pm 15\%$ price limit against the POS reference price will not be applicable to securities including ETPs on their listing day.

required to publish an announcement on HKEXnews indicating the ETP's NAV by 5:00 pm on the trading day before listing.

The POS market education materials, which include [educational videos](#), [infographics](#), and [information book](#) have also been updated accordingly to reflect this change. EPs may refer to the [POS Enhancements web corner](#) for further details.

Practice Session on 10 October 2020 and Post Release Test on 17 October 2020

In order to allow EPs to further familiarise themselves with the enhanced POS and the above-mentioned change for ETPs on its first listing day, **an optional half-day Practice Session for EPs will be arranged on 10 October 2020 (Saturday)**. No enrollment will be required as all trading devices will be enabled for testing on the day. EPs are advised to follow the guidelines ([Attachment A](#)) and activity rundown ([Attachment B](#)) during the Practice Session.

The Exchange will upgrade the OTP-C host software after market close on 16 October 2020 (Friday) and a Post Release Test (PRT) for the upgraded system will be held on 17 October 2020 (Saturday) from 9:00 am to 12:10 pm to facilitate HKEX's internal verification of its system readiness. **All EPs are strongly encouraged to participate in the PRT on 17 October 2020** to further verify their systems before the launch of the enhanced POS on the following Monday. EPs who wish to participate in the PRT are required to complete and submit the [online PRT Registration Form](#) to HKEX on or before 14 October 2020 (Wednesday). HKEX will provide details of the PRT separately.

EPs relying on information vendors to provide market data updates for trading purpose should liaise with their respective information vendors for providing market data support during the Practice Session and PRT.

After successful completion of the PRT, the Exchange will confirm the rollout of the enhanced POS at or before 2:00 pm on the same day (i.e. 17 October 2020) via a special message posted on the HKEX website at the [POS Enhancements web corner](#). If there is an unexpected incident during the PRT and OTP-C host software fallback is required, a special announcement will be made on the same web corner by 2:00 pm. Therefore, EPs are requested to check the web corner after 2:00 pm on 17 Oct 2020.

Stabilisation Period

After the launch of the enhanced POS on 19 October 2020, there will be a two-week stabilisation period. In the unlikely event that there is a critical incident disrupting the normal functioning of OTP-C during the stabilisation period, there will be a fallback to the previous version (i.e. the system version as of 16 October 2020 without the enhanced POS). EPs will be informed of the special fallback arrangements and duration required before trading resumes.

We sincerely thank all EPs for your continuous support in the POS enhancement initiative and look forward to its smooth rollout.

Sally Kwok
Senior Vice President
Trading Operations
Markets Division