

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: **Introduction of new spread table and continuous quoting market making obligations for Exchange Traded Funds and Leveraged and Inverse Products - Update**

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Reference is made to the Exchange Circular (Ref No.: [ETP/004/19](#)) dated 2 December 2019, the Exchange Circular (Ref No.: [ETP/001/20](#)) dated 11 February 2020, the Exchange Circular (Ref No.: [ETP/002/20](#)) dated 27 February 2020 and the Exchange Circular (Ref No.: [ETP/003/20](#)) dated 18 March 2020.

The Stock Exchange of Hong Kong Limited is pleased to announce that the new spread table and continuous quoting market making obligations for Exchange Traded Funds and Leveraged and Inverse Products will be introduced on **1 June 2020**. For details of the new spread table and market making obligations, please refer to Attachment 1.

For the relevant amendments to the Rules of the Exchange, please refer to Exchange Circular (Ref: [LSD/47/2020](#)).

For enquiries, please email ETFs@hkex.com.hk.

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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.

Attachment 1

New ETP Spread table

1. The new spread table (Part D) for ETFs and L&I Products is as follows:

Currency Unit				Tick interval
From	0.01	to	1.00	0.001
Over	1.00	to	5.00	0.002
Over	5.00	to	10.00	0.005
Over	10.00	to	20.00	0.010
Over	20.00	to	100.00	0.020
Over	100.00	to	200.00	0.050
Over	200.00	to	500.00	0.100
Over	500.00	to	1,000.00	0.200
Over	1,000.00	to	2,000.00	0.500
Over	2,000.00	to	9,999.00	1.000

2. Existing spread table (Part B) remains an option at the ETF manager's preference (applicable to Fixed Income ETFs only).

New Market Making Obligations

3. ETP market makers¹ are required to enter two-sided quotes within the applicable market maker obligations as defined by an [ETP's group](#) as below:

		Group A	Group B	Group C
(i) The maximum spread of two-sided market making orders entered by a Market Maker into the System (in percentage)		0.40%	1.00%	2.00%
(ii) The minimum quote size of market making orders that are within the maximum spread (per side)	HKD	200,000	200,000	100,000
	RMB	170,000	170,000	85,000
	USD	25,000	25,000	12,500
(iii) The minimum period of time for which a Market Maker shall maintain a market making order after initially entering it into the system (in seconds)		1 second		
(iv) The minimum participation rate of a Market Maker per trading day (in percentage)		80%		

¹ Market makers include Securities Market Makers and Designated Specialists