

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: **IMPLEMENTATION OF MULTIPLE TRIGGERS FOR VOLATILITY CONTROL MECHANISM (VCM) IN THE SECURITIES MARKET**

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/029/20](#)). Following the successful implementation of VCM Phase 1 Enhancements in the securities market on 11 May 2020, orderly market operations that have been observed amid VCM triggers, and subject to regulatory approvals, Exchange Participants (EPs) are requested to note that the tentative launch date for VCM Phase 2 Enhancement (i.e. allowing multiple triggers for each trading session) will be in March 2021.

The [VCM Information Book](#) has been updated to reflect the changes introduced by VCM Phase 2 Enhancement.

There will be no change in system interface to Orion Central Gateway (OCG) due to the implementation of VCM Phase 2 Enhancement. Nevertheless, in order to allow all EPs to get ready and further familiarize themselves with the rollout of VCM Phase 2 Enhancement, a 1-week End-to-End (E2E) Test Session with optional participation will be arranged in February 2021. After the completion of E2E Test Session, an optional Practice Session will be arranged in March 2021. Details of E2E Test Session and Practice Session will be further announced.

Maximum number of outstanding orders per price queue in OTP-C

Currently Orion Trading Platform—Securities Market (OTP-C) allows a maximum of 20,000 outstanding orders queuing up at a bid or ask price at any point of time during trading hours (maximum queue size). Any order entered at a particular price level after the maximum is reached will be rejected. To allow for future business growth, the Exchange may expand the maximum queue size further, say from the current setting of 20,000 to 40,000. This is a simple parameter

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

change at OTP-C which should not require any system changes from the Exchange's side and the market's side. While this will unlikely have any impact on market's operational and technical set-up, EPs nonetheless can ride on the above-mentioned Practice Session in March 2021 to conduct testing on this parameter setting. The actual rollout of the new system parameter will be announced in due course.

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