

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: Expansion of Volatility Control Mechanism (VCM) applicable securities to include Exchange Traded Products**

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The Stock Exchange of Hong Kong Limited (the “Exchange”) announces the expansion of VCM applicable securities (“VCM securities”) to include Exchange Traded Products (“ETPs”)<sup>1</sup> effective from **May 2022** (tentative). The effective date will be announced in due course.

### 1. Eligibility Criteria

ETPs that fulfil the below criteria will be included as VCM securities:

- (i) Average daily turnover for the past 3 months being not less than HK\$100 million (or its equivalent); and
- (ii) Listed on the Exchange for not less than 3 months.

However, if an ETP that is already included in the list of VCM securities subsequently meets one of the following conditions, it will be removed from the list of VCM securities.

- (i) 3-month average daily turnover for two consecutive quarters being more than HK\$50 million (or its equivalent) but less than HK\$100 million (or its equivalent); or
- (ii) Average daily turnover for past 3 months being less than HK\$50 million (or its equivalent).

For an ETP trading on the Exchange in more than one currency under different stock codes, the Exchange will calculate the average turnover on individual stock code basis (except for parallel trading arrangement).

The Exchange will review the list of ETPs to be included into or removed from the list of VCM securities every quarter and will announce the review result via a circular.

<sup>1</sup> Includes Exchange Traded Funds (“ETFs”) and Leveraged & Inverse Products (“L&I Products”)

## 2. VCM Triggering Thresholds

Based on the type of ETPs, the applicable triggering thresholds and price bands within the cooling-off period are set out as below:

ETP Type	Triggering threshold	Price Band within cooling-off period
ETFs and -1x Inverse Products	±5%	±5%
2x Leveraged Products and -2x Inverse Products	±10%	±10%

Other features of VCM in the securities market will remain the same and will apply accordingly.

The list of [VCM securities](#) showing the respective triggering threshold of each VCM security, will also be available on the HKEX website prior to effective date.

## 3. Participant Readiness

In order to allow all EPs to get ready and further familiarize themselves with the inclusion of ETPs as VCM securities, an End-to-End (E2E) Test Session will be arranged from **8 February 2022 (Tuesday) to 18 February 2022 (Friday)** and a Practice Session will be arranged on **19 February 2022 (Saturday)**. Participation is optional for both E2E Test Session and Practice Session and no prior enrolment is required.

Further details of the E2E Test Session will be provided separately by email.

For the Practice Session, EPs are advised to follow the [activity rundown](#). All production OCG-C sessions will be turned on during the session. For EPs who will turn on NSTD during the optional Practice Session, please separately contact ET Trade Limited at 2880-8601 to make pre-arrangement and a fee may be chargeable by ET Trade Limited.

For enquiries relating to the E2E Test Session and Practice Session, please contact Participant General Enquiry Hotline at 2840 3626 or email [trd@hkex.com.hk](mailto:trd@hkex.com.hk). For other enquiries, please email [ETFs@hkex.com.hk](mailto: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.*