

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: **UPCOMING LAUNCH OF THE HKD-RMB DUAL COUNTER MODEL ELIGIBLE FOR MARKET MAKING IN HONG KONG SECURITIES MARKET**

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

Tentative Launch Date: 19 June 2023

With reference to the Exchange circular (Ref: [CT/158/22](#)) dated 13 December 2022 on the inaugural HKD-RMB Dual Counter Model (“Dual Counter Model”) eligible for market making in Hong Kong securities market, the Exchange is pleased to announce that the launch of the Dual Counter Model is tentatively scheduled on **19 June 2023 (Monday)**, subject to market readiness.

Application for Dual Counter Market Maker (“DCMM”) Permit and DCMM Stamp Duty Exemption Programme

A DCMM holding a relevant DCMM permit in a Dual Counter Security shall comply with the relevant obligations and requirements pursuant to the Rules of the Exchange. A DCMM may claim stamp duty exemption in respect of its market making and liquidity providing activities under the DCMM Stamp Duty Exemption Programme provided that it satisfies such criteria and complies with the requirements of the DCMM Stamp Duty Exemption Programme. Please refer to the [Explanatory Notes for Application for Acquisition / Surrender of Dual Counter Market Maker Permit\(s\)](#) (“EN22”) for details.

The Exchange has commenced receiving applications for DCMM permits. The list of DCMMs and the relevant Dual Counter Securities will be announced before the Dual Counter Model launch.

Please also refer to the Exchange circular (Ref: [LSD/033/2023](#)) of the same date in relation to the amendments to the Rules of the Exchange and the Operation Procedures for Stamp Duty Collection.

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

Designation of Dual Counter Securities

A security traded in both HKD and RMB may be designated by the Exchange as a Dual Counter Security eligible for dual counter market making. The initial batch of Dual Counter Securities will be announced and published on the [web corner](#) before the launch of the Dual Counter Model.

Trading Arrangements relating to Dual Counter Securities

The trading arrangements relating to Dual Counter Securities upon the launch of the Dual Counter Model are summarized in the Appendix.

Update of the Frequently Asked Questions (“FAQ”)

The FAQ has been updated at the [web corner](#) of HKD-RMB Dual Counter Model at HKEX website and will be updated from time to time to reflect the latest development. Other relevant information regarding the Dual Counter Model can also be found in the web corner.

Extension of End-to-End (E2E) Testing and Practice Sessions for Rollout Readiness

To facilitate market's readiness for the rollout, testing arrangements including E2E (extended to finish on Friday, 2 June 2023) and two practice sessions (on 27 May 2023 and 3 June 2023, both Saturdays) have been arranged. Exchange Participants (“EPs”) are strongly encouraged to participate in these tests to ensure their readiness for the trading of securities upon the launch of the Dual Counter Model. Please refer to the circulars (Ref: [CT/053/23](#) and Ref: [CT/060/23](#)) for relevant information about the E2E testing and practice sessions.

Please send any enquiries on trading arrangements to trd@hkex.com.hk and enquiries on clearing and settlement arrangements to clearingps@hkex.com.hk.

Sally Kwok
Co-Head
Trading Department
Operations Division

Summary of Trading Arrangements relating to Dual Counter Securities

	HKD counter	RMB counter ² eligible for market making
Trading Currency	HKD	RMB
Stock Code	Please refer to the Stock Code Allocation Plan for reference.	8XXXX, where XXXX is the same as the Stock Code of the HKD counter ³
Stock Short Name	Please refer to Naming Conventions of Stock Short Name by Product Types for reference.	
Trading Platform	Orion Trading Platform – Securities Market (OTP-C)	
Trading Sessions	<ul style="list-style-type: none"> • Pre-opening Session (POS) • Continuous Trading Session (CTS) • Closing Auction Session (CAS) 	
Order Types	<ul style="list-style-type: none"> • at-auction order • at-auction limit order • limit order • enhanced limit order • special limit order 	
Trading Methods	Same	
Quotation/Price Rules	<p>Existing quotation rules for CTS and price rules for POS and CAS will continue to apply to RMB counters of Dual Counter Securities. The rules are applied to HKD and RMB counters independently.</p> <p>Upon the launch of the Dual Counter Model and on the first trading day of an RMB counter, the previous closing price of its relevant HKD counter after an exchange rate adjustment will be used for determining the $\pm 15\%$ price limit of the RMB counter during the POS.</p>	
Spread Table	Same	
Inter-counter Trading and Short Selling	<p>Buying or holding Dual Counter Securities at the HKD counter followed by selling the purchased securities or holdings of securities at RMB counter and vice versa, would be regarded as a long sale.</p> <p>Borrowing Dual Counter Securities at the HKD counter followed by selling the borrowed securities at the RMB counter and vice versa, would be regarded as a covered short sale, subject to relevant short selling regulations stipulated in the Eleventh Schedule of the Rules of the Exchange and relevant provisions in the Securities and Futures Ordinance.</p>	

² On the basis that the RMB counter has been designated as the secondary counter of a Dual Counter Security

³ In exceptional cases, the Exchange will assign an available stock code from the stock code range for products traded in RMB where XXXX is different from the Stock Code of the HKD counter.

Volatility Control Mechanism (VCM)	<p>If one counter (counter A) of a Dual Counter Security is accepted as a VCM security, the other counter (counter B) of the Dual Counter Security will automatically be accepted as a VCM security and the VCM cooling-off period triggering threshold will be the same for both counters. However, the VCM cooling-off period will be triggered independently in the two counters, i.e. when cooling-off period is triggered in counter A, cooling-off period will not be automatically triggered in counter B and will only be triggered based on whether or not the threshold of counter B is exceeded.</p>
Payment Currency of Transaction Fees	<p>Trading-related fees and levies (such as SFC Transaction Levy, FRC Transaction Levy) and stamp duty shall be paid in HKD; the exchange rates for stamp duty collection (HKD against RMB) published on the HKEX website will be used to calculate the fees and levies in HKD.</p>