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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: **INTRODUCTION OF SELF-MATCH PREVENTION SERVICE IN HONG KONG
SECURITIES MARKET**

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

Exchange Participants (“EPs”) are requested to note that the Exchange plans to introduce a new Self-Match Prevention (“SMP”) service in its securities market in **Q1 2024**, subject to market readiness and regulatory approval.

This new exchange-level SMP service is a free and optional service for EPs to avoid inadvertent self-matching of their own proprietary orders. Similarly, clients of EPs can apply for SMP service via EPs to avoid self-matching of their own orders.

Please see the following features of the SMP service:

- 1) **“SMP ID” as identifier for triggering SMP:** SMP will be based on an identifier (“SMP ID”) assigned by the Exchange to cancel potential self-matching orders. During Continuous Trading Session, a buy order and a sell order with the same SMP ID will be prevented from executing against each other, and either one side of orders will be cancelled according to the pre-specified cancellation method of the respective SMP ID.

EPs and/or their clients who apply for SMP service will be assigned a designated and unique SMP ID by the Exchange upon successful registration. SMP users can tag their assigned SMP IDs to their own orders to prevent self-matching. The Exchange will announce the details of SMP registration in due course.

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

- 2) **Cancel aggressive (“CA”) and cancel passive (“CP”) as the order cancellation methods:** Each SMP ID must be specified with either one of the two order cancellation methods. Upon a potential match between two orders bearing the same SMP ID with a designated cancellation method:
 - a) the incoming order will be cancelled if CA is chosen; or
 - b) the resting order will be cancelled if CP is chosen.

- 3) **Multi-broker model:** This SMP service would prevent self-matching of orders tagged with the same SMP ID via different EPs.

EPs who opt to use SMP are required to enhance their systems and are advised to refer to the relevant technical specification published on [HKEX website](#). EPs who do not plan to enable SMP will not be required to conduct any system enhancement or testing.

Web Corner and Webinar

An overview of SMP, the technical specification and FAQs are now available at the [SMP web corner](#) on HKEX website. The information in the web corner will be updated from time to time.

To facilitate EPs’ understanding and preparation work, HKEX will organize an online webinar tentatively in late Sep. The details including the enrolment information will be further announced.

Kindly note that the Exchange also plans to enhance the SMP service in its derivatives market in Q2 2024, subject to market readiness and regulatory approval. EPs may refer to the relevant circular ([Ref: MO/DT/196/23](#)) published today.

Herman Sin
Senior Vice President
Trading Department
Operations Division

Attachment

Summary of SMP Model in Hong Kong Securities Market

Service Nature	Optional service
Cancellation Method	Cancel Aggressive or Cancel Passive prescribed at SMP ID
Level of Granularity on SMP Setting	Based on SMP ID
SMP Coverage	Multi-broker model (prevent self-matching for orders with the same SMP ID within/ across EPs)
Applicable Sessions	Continuous Trading Session
Fee	Free of charge