

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: **CONSULTATION ON THE PROPOSED REDUCTION OF MINIMUM SPREADS IN THE HONG KONG SECURITIES MARKET**

Enquiry: **Participant General Enquiry Hotline<sup>1</sup> (Tel: 2840 3626 E-mail: [trd@hkex.com.hk](mailto:trd@hkex.com.hk))**

Hong Kong Exchanges and Clearing Limited (“HKEX”) today 28 June 2024 (Friday) published a consultation paper on ‘Proposed Reduction of Minimum Spreads in the Hong Kong Securities Market’ (“[Consultation Paper](#)”).

In line with HKEX’s strategy to continually review and develop the market microstructure, and in accordance with recommendations made by the Government of Hong Kong Special Administrative Region’s Task Force on Enhancing Stock Market Liquidity, the changes proposed in the Consultation Paper aim to enhance market competitiveness by facilitating bid-ask spread reduction.

The Consultation Paper proposes a phased implementation of minimum spread reductions by selected price band, with implementation of Phase 2 to be considered based on a holistic review of market feedback and after a period of observation following Phase 1. The proposed changes will cover equities, Real Estate Investment Trusts and equity warrants but exclude Exchange Traded Products, Structured Products, Exchange Traded Options and debt securities.

- Phase 1: 50% - 60% reduction of minimum spreads for price bands between \$10 and \$50
- Phase 2: 50% reduction of minimum spread for price band \$0.5 - \$10

HKEX cordially invites market participants, including but not limiting to Exchange Participants (“EPs”), broker system vendors, information vendors and investors, to provide feedback on the proposal by submitting a response to the [questionnaire](#) attached to the Consultation Paper published on the HKEX website. The consultation period will be closed on **20 September 2024 (Friday)**.

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

**Participant Webinars**

To facilitate market participants' understanding of the proposal set out in the Consultation Paper, HKEX will arrange two briefing sessions to provide an overview of the proposed reduction of minimum spreads. Details of the webinars are as follows:

Date	Mode of Briefing	Time	Language	Registration Deadline
15 July 2024 (Mon)	Webinar video conferencing	17:00 – 17:30	Cantonese	10 July 2024 (Wed)
16 July 2024 (Tue)			English	

Participation is **optional** and interested market participants should nominate no more than 2 representatives to attend across the two briefing sessions and register on or before 10 July 2024 (Wednesday) using the [registration form](#). Confirmation will be sent to the successful registrants only.

**City Chan**  
**Vice President**  
**Trading Department**  
**Operations Division**