

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 CONCLUSIONS ON THE PROPOSED REDUCTION OF MINIMUM SPREADS IN THE HONG KONG SECURITIES MARKET

Enquiry: Participant General Enquiry Hotline¹ (Tel: 2840 3626 Email: trd@hkex.com.hk)

Hong Kong Exchanges and Clearing Limited (“HKEX”) is pleased to publish the consultation conclusions on the proposed reduction of minimum spreads in the Hong Kong securities market (“[Conclusions Paper](#)”) today. This is part of HKEX’s ongoing efforts to continually review and enhance market microstructure. We would like to express our appreciation to all market participants who have shared their views and comments during the consultation process.

With the majority of market support to the consultation proposals stated in the [Consultation Paper](#), HKEX will implement phase 1 of minimum spreads reduction around mid-2025, subject to market readiness, regulatory approvals and other inter-dependent rollouts. Phase 2 will be implemented tentatively around mid-2026, if no undesirable result is observed over the six-month review following the rollout of phase 1.

The phase 1 implementation will cover:

Scope:

Equities, Real Estate Investment Trusts (“REITs”) and all other Applicable Securities excluding Exchange Traded Products (“ETPs”), debt securities, Exchange Traded Options (“ETOs”) and Structured Products.

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

Magnitude:

- The minimum spreads of the price band between \$10 and \$20 will be reduced by 50% (from \$0.02 to \$0.01)
- The minimum spreads of the price band between \$20 and \$50 will be reduced by 60% (from \$0.05 to \$0.02)

Other associated changes:

- The stock settlement fee will be revised. For details, please refer to paragraph 29 of the [Conclusions Paper](#).
- The order input price limit during the Continuous Trading Session (“quotation rules”) for all securities except Exchange Traded Products (ETPs) will be modified to ± 24 spreads or 5% from the reference price, whichever is greater in percentage terms.
- Temporary adjustment to the single stock options market making obligations with details to be announced in due course.

Briefing Webinars

To facilitate market participants’ understanding of the changes set out in the Conclusions Paper (see summary in Appendix II of the [Conclusions Paper](#)), HKEX will arrange two briefing sessions to provide an overview of the implementation plan for minimum spreads reduction. Details of the webinars are as follows:

Date	Mode of Briefing	Time	Language	Registration Deadline
13 January 2025 (Monday)	Webinar video conferencing	17:00 – 17:30	Cantonese	8 January 2025 (Wednesday)
14 January 2025 (Tuesday)			English	

Participation is **optional**. Interested market participants should nominate no more than 2 representatives as attendees across the two briefing sessions and register on or before 8 January 2025 (Wednesday) using the [registration form](#). Confirmation will be sent to the successful registrants

only. A playback of the webinar will be available on the designated web corner for market users' review later.

Web Corner

Please visit the [web corner](#) on the HKEX website for more information and reference materials about the implementation of Reduction of Minimum Spreads.

Jack Ko
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