
**Information Package
on
the Phase 1 Implementation of
Minimum Spreads Reduction
Market Rehearsal**

Version
1.0

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Version History

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1. Introduction

1.1 Overview

Following the completion of the End-to-End Test (E2E Test) of the phase 1 implementation of minimum spreads reduction ("phase 1"), all Exchange Participants (EPs) are required to participate in the **mandatory** Market Rehearsal (MR) to ensure system readiness.

Date	Time	Test	Objective
21 June 2025	9:00am – 12:10pm	MR	To verify the system's compatibility with changes in the spread tables and quotation rules

All EPs must satisfactorily complete the MR to ensure their system can operate smoothly using the updated spread tables and new quotation rules, that will be implemented in phase 1.

Subject to successful completion of the MR, market readiness and regulatory approvals, the Exchange will announce the launch date of phase 1 in due course.

1.2 Schedule and Activities for the MR

EPs are required to complete the following tasks for the MR:

Task	Deadline / Execution Date	Reference Documents
1. Submit a completed Contact Form for designation of contact person for the MR	On or before 13 June 2025 (Friday)	Contact Form
2. Input orders to verify the system's compatibility with the changes in the spread tables and quotation rules. <ul style="list-style-type: none"> For details of the changes in the spread tables, please refer to the Reduction of Minimum Spreads FAQ ("FAQ"), or Appendix 1 of this Information Package For details of the changes in quotation rules, please refer to the appendix of the Exchange circular (Ref. No.: CT/027/25), or Appendix 1 of this Information Package 	21 June 2025 (Saturday) 9:00am – 12:10pm	
3. Complete and return the Feedback Form to indicate (i) successful completion of MR, or (ii) have encountered any issues during the MR	On or before 25 June 2025 (Wednesday)	Feedback Form

For the detailed activity rundown of the MR, please refer to Appendix 2 of this Information Package.

1.3 Market Data Arrangement for the MR

EPs who have subscribed to any data feed product on HKEX Orion Market Data Platform – Securities Market (OMD-C) can have access to their subscribed OMD-C feed during MR. OMD-C clients are required to submit Test Participation Form for the MR, and please refer to the client notice (Ref. No.: MDD/25/231) on the [HKEX website](#) for more details.

For EPs receiving market data through Information Vendors (IVs) and Application Service Providers (ASPs), they should check with their IVs and/or ASPs immediately for the required logistics or other necessary arrangement if they plan to receive market data from them during MR.

2. General Guidelines for the MR

EPs are requested to note of the following important points when take part in the MR:

Before the MR:

- EPs are required to complete and return the [Contact Form](#) to HKEX **on or before 13 June 2025** to provide the designated contact person for the MR.
- The completed “Contact Form” shall be submitted to Electronic Communication Platform ([ECP](#)) via HKEX Access Management Portal by using a user with the business function “EU_ECPTO”, navigate to the left navigation menu to select “Submission” function, then click the hyperlink of “Contact Form for the Spreads Reduction P1 MR” on the submission list page to submit.
- For participation of the MR, EPs must ensure that the correct configuration of BSS software (if needed) supporting new spread tables and quotation rules is activated before connecting to OTP-C/OCG-C for the MR. In this case, after conducting the MR, EPs must also ensure that appropriate BSS software (without new spread table and quotation rules related functions) is reinstated in order to ensure no interruption to their trading activities on the following trading day.
- EPs are reminded to back up their production database (including BSS production database) before the MR so that the database can be restored after the test to safeguard data integrity for the following trading day.

Access to the MR:

OCG-C

- EPs are required to logon all OCG-C and Drop Copy sessions by using the assigned Comp ID(s) and password “Ab123456” as specified in respective activity rundown.

During the MR:

- All production OCG-C and Drop-Copy sessions will be turned on by HKEX during the MR.
- During the MR, EPs are required to simulate real-life order submission activities by inputting orders to verify the system’s compatibility with the changes to the spread tables and quotation rules.
- The stock database as at the market open on **28 April 2025** will be used for the MR.

After MR:

- Upon completion of the MR, EPs are reminded to log off and terminate all OCG-C and Drop-Copy sessions, then perform end-of-day procedures and clean up the transaction data (e.g. orders and trades) entered during the test from BSS (if applicable).
- After the MR, EPs are also reminded to clean up the next day requests for testing, if any, to ensure that these testing orders will not be carried forward to the production on the following trading day.

- EPs must complete and return the Feedback Form for MR to HKEX on or before 25 June 2025 (Wednesday) after the MR to indicate if they have successfully completed MR, or if they have encountered any issues during the MR.

3. Typhoon/ Extreme Conditions/ Rainstorm Arrangements

When Tropical Storm Warning Signal No. 8 (or above) or Extreme Conditions or Black Rainstorm Warning Signal is hoisted, the following arrangements will apply:

Condition	Arrangement
If either of the warnings is hoisted or to be in force anytime from 7:00am to 9:00am	The scheduled activity of the day will continue until completion. An additional MR will be arranged in the case that some EPs are unable to participate during severe weather conditions. HKEX will issue relevant market communications announcing the necessary arrangements.
If Tropical Storm Warning Signal No. 8 or above or Extreme Conditions is issued after 9:00am	
If Black Rainstorm Warning is issued after 9:00am	All scheduled activity will continue until completion.

Note:

In any case, all participating EPs should complete the appropriate day-end work including file/ database backup and restoration, system restoration/ fallback and so on to ensure there will be no interruption on the following trading day.

HKEX advises EPs and related personnel to make every attempt to achieve remote operations during SWT Days. For Participants and relevant parties who are not able to adopt a full remote model and their designated staff are required to report duty in their office premises, Participants as employers are reminded to follow the guidelines in the Code of Practice in Times of Adverse Weather and “Extreme Conditions” (“CoP”). It is the responsibility of the employers to observe the statutory obligations and the relevant requirements under the Employment Ordinance, the Occupational Safety and Health Ordinance, the Factories and Industrial Undertakings Ordinance, the Employees’ Compensation Ordinance and the Minimum Wage Ordinance. Employers are advised to seek legal advice or consult the Labour Department where necessary. For more details regarding the severe weather arrangements, please refer to [Consultation Conclusions of Severe Weather Trading of Hong Kong Securities and Derivatives Markets](#).

4. Support Hotline

Should EPs have any questions on the day of the actual MR, they can contact the following Support Hotlines:

	Telephone Number	Email Address	Hotline Support Service Hours
For BSS Support	2840 3351	bsssupport@hkex.com.hk	8:30am – 1:00pm
For General Enquiry	2840 3626	otpc@hkex.com.hk	
For OMD-C Enquiry	2211 6558	IVSupport@hkex.com.hk	

Appendix

Appendix 1 – Changes to the Spread Tables and Quotation Rules

Changes to the Spread Tables

For details of the changes to the spread tables, please refer to the [FAQ](#) or below summary.

Currently, there are four spread table codes in use in the Orion Market Data Platform – Securities Market (OMD-C) and the Mainland Market Data Hub – Securities Market (OMD-C MMDH): 01, 03, 04, and 05. Of which spread table code 01 applies to all securities other than debt securities, Exchange Traded Options, and Exchange Traded Products.

However, with the implementation of minimum spreads reduction outlined in the [Consultation Conclusions](#), there will be two changes:

- (1) The scope of Applicable Securities specified in spread table code 01 will be adjusted to include all securities except debt securities, Exchange Traded Options, Exchange Traded Products and Structured Products.
- (2) A new spread table code 06 will be introduced for Structured Products.

	Product Type	Spread Table Arrangement
Applicable Securities	<ul style="list-style-type: none"> All securities (including equities, Real Estate Investment Trusts (“REITs”), equity warrants and all other securities, except the excluded securities) 	Applicable Securities will continue to use the spread table code 01, and the minimum spreads of which will be reduced upon the implementation. Please refer to the Consultation Conclusion, or the below illustration of Updated spread table code 01 .
Excluded Securities	<ul style="list-style-type: none"> Exchange Traded Products (“ETPs”) Debt securities Exchange Traded Options (“ETOs”) 	The current spread table codes and respective minimum spreads remain unchanged.
	<ul style="list-style-type: none"> Structured Products (including Callable Bull / Bear Contracts (“CBBC”), Derivative Warrants (“DW”) and Inline Warrants (“IW”) only) 	<p>A new spread table code 06 will be introduced upon the implementation of phase 1.</p> <p>The design of the price band and minimum spreads in spread table code 06 will be the same as the current design of the spread table 01. Please refer to the below illustration of New spread table code 06.</p>

Details of the new spread table codes are outlined as below:

Illustration: Updated spread table code 01 (apply to Applicable Securities)

Price Band (currency unit) ¹				Minimum spread
From	0.01	to	0.25	0.001
Over	0.25	to	0.50	0.005
Over	0.50	to	10.00	0.010
Over	10.00	to	20.00	0.010
Over	20.00	to	50.00	0.020
Over	50.00	to	100.00	0.050
Over	100.00	to	200.00	0.100
Over	200.00	to	500.00	0.200
Over	500.00	to	1,000.00	0.500
Over	1,000.00	to	2,000.00	1.000
Over	2,000.00	to	5,000.00	2.000
Over	5,000.00	to	9,995.00	5.000

Illustration: New spread table code 06 (apply to Structured Products
(including CBBC, DW and IW) only)

Price Band (currency unit) ¹				Minimum Spread
From	0.01	to	0.25	0.001
Over	0.25	to	0.50	0.005
Over	0.50	to	10.00	0.010
Over	10.00	to	20.00	0.020
Over	20.00	to	100.00	0.050
Over	100.00	to	200.00	0.100
Over	200.00	to	500.00	0.200
Over	500.00	to	1,000.00	0.500
Over	1,000.00	to	2,000.00	1.000
Over	2,000.00	to	5,000.00	2.000
Over	5,000.00	to	9,995.00	5.000

¹ Applicable to all currency units including Hong Kong dollar.

Changes to the Quotation Rules

For details of the changes to the quotation rules, please refer to the appendix of the Exchange circular (Ref. No.: [CT/027/25](#)) or below Illustration:

1. Opening quotation during Continuous Trading Session (CTS) for all securities except ETPs should follow below price limits:

- i. If there is no first ask of the day,

Order Type	Proposed Lower Price Limit for Buy Orders
Limit Order	First bid price, the lower of: 1. Previous closing price -24 spreads; or 2. Previous closing price -5%, rounded up to the nearest spread.
Enhanced Limit Order	

- ii. If there is no first bid of the day,

Order Type	Proposed Upper Price Limit for Sell Orders
Limit Order	First ask price, the higher of: 1. Previous closing price +24 spreads; or 2. Previous closing price +5%, rounded down to the nearest spread.
Enhanced Limit Order	

- iii. The first bid price and first ask price must not deviate 9 times or more from the previous closing price.

2. Quotations other than the opening quotation during CTS for all securities except ETPs should follow below price limits (there will be no changes to the existing price limits for Special Limit buy and sell orders):

a. For buy orders:

- i. With existing buy and sell order queues:

Order Type	Proposed Lower Price Limit for Buy Orders
Limit Order	The lower of: 1. Current bid price -24 spreads; or 2. Current bid price -5%, rounded up to the nearest spread.
Enhanced Limit Order	

- ii. With existing sell order queue only:

Order Type	Proposed Lower Price Limit for Buy Orders
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Limit Order	The lower of: 1. Lowest of (current ask price / previous closing price / the lowest transacted price of the day) -24 spreads; or 2. Lowest of (current ask price / previous closing price / the lowest transacted price of the day) -5%, rounded up to the nearest spread.
Enhanced Limit Order	

iii. With existing buy order queue only:

Order Type	Proposed Lower Price Limit for Buy Orders
Limit Order	The lower of: 1. Current bid price -24 spreads; or 2. Current bid price -5%, rounded up to the nearest spread.
Enhanced Limit Order	

iv. No existing buy and sell order queues:

Order Type	Proposed Lower Price Limit for Buy Orders
Limit Order	The lower of: 1. Lowest of (last ask price / previous closing price / the lowest transacted price of the day) -24 spreads; or 2. Lowest of (last ask price / previous closing price / the lowest transacted price of the day) -5%, rounded up to the nearest spread. Or any price, if both previous closing price and the lowest transacted price of the day are not available.
Enhanced Limit Order	

v. A buy order price must not deviate 9 times or more from the nominal price.

b. **For sell orders:**

i. With existing buy and sell order queues:

Order Type	Proposed Upper Price Limit for Sell Orders
Limit Order	The higher of: 1. Current ask price +24 spreads; or 2. Current ask price +5%, rounded down to the nearest spread.
Enhanced Limit Order	

ii. With existing buy order queue only:

Order Type	Proposed Upper Price Limit for Sell Orders
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Limit Order	The higher of: 1. Highest of (current bid price / previous closing price / the highest transacted price of the day) +24 spreads; or 2. Highest of (current bid price / previous closing price / the highest transacted price of the day) +5%, rounded down to the nearest spread.
Enhanced Limit Order	

iii. With existing sell order queue only:

Order Type	Proposed Upper Price Limit for Sell Orders
Limit Order	The higher of: 1. Current ask price +24 spreads; or 2. Current ask price +5%, rounded down to the nearest spread.
Enhanced Limit Order	

iv. No existing buy and sell order queues:

Order Type	Proposed Upper Price Limit for Sell Orders
Limit Order	The higher of: 1. Highest of (last bid price / previous closing price / the highest transacted price of the day) +24 spreads; or 2. Highest of (last bid price / previous closing price / the highest transacted price of the day) +5%, rounded down to the nearest spread.
Enhanced Limit Order	
	Or any price, if both previous closing price and the highest transacted price of the day are not available.

v. A sell order price must not deviate 9 times or more from the nominal price.

3. For transactions (including direct business transactions) concluded outside of the System during CTS for all securities, except ETPs:

Lower Price Limit: the lowest of (i) whichever is lower of previous closing price -24 spreads or previous closing price -5% (rounded up to nearest spread), (ii) the lowest bid price up to the time of the transaction on the day and (iii) the lowest ask price up to the time of the transaction on the day.

Upper Price Limit: the highest of (i) whichever is higher of previous closing price +24 spreads or previous closing price +5% (rounded down to nearest spread), (ii) the highest bid price up to the time of the transaction on the day and (iii) the highest ask price up to the time of the transaction on the day.

Appendix 2 – Activity Rundown for MR on 21 June 2025

MR is mandatory and allows EPs to validate their system setup in a production configuration to perform order submissions.

Time	Activities
20 June 2025 (Friday) – After Market Close	
After 5:00pm	<ul style="list-style-type: none"> <input type="checkbox"/> For all OCG-C/BSS sessions, ensure change, if any, to network configuration is properly completed. <input type="checkbox"/> Ensure all OCG-C/BSS components (including network routers) are powered on after trading hours. <input type="checkbox"/> Ensure the production database of in-house / back-office systems are properly backed-up before the MR. <input type="checkbox"/> For those BSS which are not going to participate in the test, ensure that each of these BSS is not connected to the OCG-C, to avoid receiving the testing data. <input type="checkbox"/> For all existing production BSS, please do not input any next day requests after trading hours on Friday (i.e., requests intended for submission to OTP-C host on the following trading day, since next day requests will be submitted to OTP-C host during the MR and will not be available on the following trading day).
21 June 2025 (Saturday)	
Ready for Market Open	
Before 9:00am	<p><u>Logon to OTP-C Host</u></p> <p>For OCG-C/BSS:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Connect to OCG-C for all applied OCG-C sessions (including Trading and Drop-Copy sessions). <input type="checkbox"/> Logon using the assigned Comp ID(s) and the password “Ab123456” for all OCG-C sessions (including Trading and Drop-Copy sessions).
Pre-opening Session (POS)	
9:00am – 9:30am	<ul style="list-style-type: none"> <input type="checkbox"/> The POS consists of: <ul style="list-style-type: none"> - Order Input Period (9:00am – 9:15am) - No-cancellation Period (9:15am – 9:20am) - Random Matching Period (9:20am - 9:22am [random matching start time]) - Order Matching (9:20am [random start time] – completion of order matching [variable end time]) - Blocking Period (upon completion of order matching [variable end time] - 9:30am) <input type="checkbox"/> Simulate real-life trading activities (in terms of order input, pattern and volume) during the POS. <input type="checkbox"/> Tag BCAN to each of the on-exchange orders and off-exchange trades. <input type="checkbox"/> Verify the system’s compatibility with the changes to the spread tables.
Continuous Trading Session (CTS)	
9:30am – 12:00noon	<ul style="list-style-type: none"> <input type="checkbox"/> The CTS consists of: <ul style="list-style-type: none"> - Without VCM monitoring (9:30am – 9:45am) - With VCM monitoring (9:45am – 11:40am)

Time	Activities
	<ul style="list-style-type: none"> - Without VCM monitoring (11:40am – 12:00noon) <input type="checkbox"/> Simulate real-life trading activities (in terms of order input, pattern and volume) during the CTS. <input type="checkbox"/> Tag BCAN to each of the on-exchange orders and off-exchange trades. <input type="checkbox"/> Verify the system's compatibility with the changes to the spread tables and quotation rules.
Closing Auction Session (CAS)	
12:00noon – 12:10pm	<input type="checkbox"/> The CAS consists of: <ul style="list-style-type: none"> - Reference Price Fixing Period (12:00noon – 12:01pm) - Order Input Period (12:01pm – 12:06pm) - No-cancellation Period (12:06pm – 12:08pm) - Random Closing Period (12:08pm – 12:10pm [random close time]) - Order Matching (12:08pm [random start time] – completion of matching [variable end time]) - Day Close (upon completion of matching) <input type="checkbox"/> Simulate real-life trading activities (in terms of order input, pattern and volume) during CAS. <input type="checkbox"/> Tag BCAN to each of the on-exchange orders and off-exchange trades. <input type="checkbox"/> Verify the system's compatibility with the changes to the spread tables.
Day Close	
Upon completion of matching	For OCG-C/BSS: <input type="checkbox"/> Logout and terminate OCG-C sessions (including Trading and Drop-Copy sessions). <input type="checkbox"/> Perform end-of-trading procedures, if any, to ensure database integrity. <input type="checkbox"/> Clean up the transaction data (e.g. orders and trades) entered during the test from BSS (if applicable). <input type="checkbox"/> Restore the data and proper BSS production configuration for following trading day, if necessary.
Complete and Return Feedback Form	
After MR, before 6:00pm, 25 June 2025	<input type="checkbox"/> Complete and return the Feedback Form for MR to HKEX through ECP (https://ecp2.hkex.com.hk/). <i>(Please save the completed Feedback Form in pdf format with file name as MSRMR_NNNNN.pdf (where NNNNN is Participant ID with a leading zero). Then, login to via HKEX Access Management Portal to submit the Feedback Form to HKEX. The completed Feedback Form should be submitted to HKEX by clicking of "Feedback Form for Spreads Reduction P1 MR" on the submission list page.)</i>

Notes:

- No day-end trade file and closing price will be provided.
- HKEX Orion Market Data Platform – Securities Market (OMD-C) will be operating during the MR. All OMD-C messages disseminated during the MR should be treated as non-production data and have to be cleaned up afterwards.