

HKD-RMB Dual Counter Model
Frequently Asked Questions on Issuer, Trading, Post Trade and Risk Management
Arrangements

(Version Date: 26 January 2026)

Note: This document will be updated from time to time to reflect the latest development and market participants are reminded to refer to the latest version for further details.

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Overall

1. What are Dual Counter Securities, Dual Counter Market Making Programme (“DCMM Programme”), Designated Specialist Programme for Dual Counter Securities (“DCS-DS Programme”) and Dual Counter Model and how they are related?

Dual Counter Securities refer to securities with HKD and RMB counters (“HKD-RMB Dual Counters”) designated by the Exchange in accordance with the Rules of the Exchange and are eligible for DCMM Programme and DCS-DS Programme. The list of Dual Counter Securities is available on HKEX website and would be updated by HKEX from time to time, and only securities (excluding Exchange Traded Products (“ETPs”)) listed in both HKD and RMB counters in the Hong Kong securities market would be considered for designation. The Exchange may designate or remove any security as a Dual Counter Security in the list and the Securities and Futures Commission (“SFC”) will be consulted for each such designation or removal.

The overall trading and market making of HKD-RMB Dual Counters is referred to as the “Dual Counter Model”. The Dual Counter Model was launched on 19 June 2023, which further enhances the trading and settlement model for Dual Counter Securities. The DCMM Programme and the DCS-DS Programme under the Rules of the Exchange are to support inter-counter Dual Counter Securities trading, in order to provide liquidity in the secondary counters (initially RMB counters) and minimize price discrepancies between the two counters. While the DCMM Programme is limited to Exchange Participants (“EPs”), the DCS-DS Programme, launching on 26 January 2026, extends eligibility to non-EPs.

Issuer-Related Matters for Dual Counter Securities

2. Will a security automatically become a Dual Counter Security if it has two stock counters denominated in HKD and RMB for trading and settlement?

No. Only securities with both HKD and RMB counters and that are designated by the Exchange in accordance with the Rules of the Exchange are considered as Dual Counter Securities. The list of designated Dual Counter Securities is available on HKEX website.

3. What would be the benefit for an issuer to list both HKD and RMB counters and then be designated as a Dual Counter Security?

An issuer with a dual counter arrangement including a RMB counter under the Dual Counter Model can offer investors choices of trading currency and potentially tap into new RMB liquidity. Further, a Dual Counter Security designated by HKEX may have market makers which would provide liquidity in the secondary counter (initially RMB counter) and narrow the price discrepancies between its HKD-RMB Dual Counters.

4. What would be the application process or requirements, processing time and cost required for a listed issuer to launch a RMB counter?

As the Dual Counter Model affects the trading arrangements, a listed issuer is advised to agree the proposed timetable and trading arrangements in the application for launching a RMB counter with the Listing Division of HKEX, make an application with Hong Kong Securities Clearing Company Limited (“HKSCC”) for the listed securities to be accepted as Multi-counter Eligible Securities as defined under the General Rules of HKSCC (“CCASS Rules”), and issue an announcement to inform the market of the trading arrangements usually made before the counter addition effective date.

Listed issuers are suggested to check with their legal advisers if any shareholder meeting or board approval would be required for launching a RMB counter.

There is no specific mandated timetable regarding the application for a RMB counter. However, in addition to the announcement on trading arrangement details usually made before the effective date of the RMB counter, issuers are recommended to issue another voluntary announcement on their application for the addition of RMB counter through HKEXnews, after submission of an application. Please note that this voluntary announcement is about the addition of RMB counter with the intention to be a Dual Counter Security only, while the designation of Dual Counter Securities is subject to the decision of HKEX. This voluntary announcement serves the purpose to potentially facilitate the designation to include the HKD counter and the RMB counter of the security to the Dual Counter Model. This will also allow potential Dual Counter Market Makers to apply for the relevant market

making permit. Issuers should reserve sufficient time for potential Dual Counter Market Makers to file an application for a market making permit before the proposed effective date of the RMB counter, for instance 2 to 4 weeks.

There would be no fee payable to HKEX to launch an additional RMB counter. Listed issuers are advised to check if any other fees or charges (such as fees required for share registrar, etc. if applicable) would be required to launch a RMB counter.

5. Are holders of securities under the RMB counter and the HKD counter under the Dual Counter Model treated differently from a legal perspective?

The Rules of the Exchange require that a Dual Counter Security may be traded in two different currencies provided that the securities concerned are of the same class. Holders of Dual Counter Securities shall be entitled to identical rights under the issuer's constitutional documents.

6. How is the market capitalization of a Dual Counter Security calculated?

HKEX calculates the market capitalization of a Dual Counter Security by multiplying the total number of issued securities with the closing price of the HKD counter. HKEX will continuously review this calculation method, taking into account the development of market practice for the Dual Counter Model, relative liquidity of the Dual Counter Securities and market feedback.

7. Will there be any change in the calculation of (i) the public float; (ii) the size limits on general mandate for issuance/repurchase of securities; or (iii) size limits on grants of share awards or options under share schemes under the Listing Rules, after a listed issuer adopts the Dual Counter Model? How will the benchmarked price be determined if the listed issuer proposes a general mandate placing? (applicable to equities)

There will not be a change in the calculation of the public float and size limits. They are calculated with reference to the total issued securities of the listed issuer. The benchmarked price will be calculated with reference to the closing price of the listed issuer's securities traded under the HKD counter.

8. Can a listed issuer repurchase securities from RMB counter and/or HKD counter or both under a repurchase mandate? (applicable to equities)

It will be the issuer's option to decide.

9. Can a listed issuer remove one of the counters?

It will be the issuer's option to decide. The issuer is required to agree with HKEX on the proposed timetable and trading and settlement arrangements of the counter being removed, and issue an announcement to inform the market of the arrangements.

10. What are the criteria for designation or removal of designation as Dual Counter Securities and when will the eligibility be reviewed?

Major criteria for designation or removal of designation as a Dual Counter Security include market capitalization and trading liquidity, potential interest from Dual Counter Market Makers to provide liquidity in the secondary counter (initially RMB counter), market readiness to support trading and settlement of dual counters and any other considerations that HKEX may see fit. The list of designated Dual Counter Securities will be subject to review regularly or at an ad-hoc basis after the DCMM Programme launch.

Trading

11. How may a Dual Counter Security under the Dual Counter Model be identified? How can investors distinguish between the two counters of a Dual Counter Security? Are there any identification in their stock codes and stock short names?

The list of Dual Counter Securities is available on HKEX website and would be updated by HKEX from time to time after the rollout of the Dual Counter Model.

An investor can distinguish between the two counters by their stock codes and their stock short names.

The general principle is that separate and unique stock codes are assigned to the HKD and RMB counters respectively. For an equity, the stock code for the RMB counter will be a 5-digit number starting with an “8”, while a 5-digit number starting with a “0” would be assigned for the HKD counter.

The last four digits of the stock codes for the two counters will normally be the same¹, in line with the existing allocation arrangement.

- HKD counter - 0XXXX
- RMB counter - 8XXXX

The stock short names for the two counters are also different. For the RMB counter, the stock short name will end with -R to indicate that the securities are traded in RMB. There will be no specific marking in the stock short name of the HKD counter.

The following is an illustrative example of the stock short names:

- HKD counter – “XYZ”
- RMB counter – “XYZ -R”

With the [enhancement of settlement arrangement for Multi-counter Eligible Securities by adopting the single tranche multiple counter arrangement \(the “STMC arrangement”\)](#), there is only one International Securities Identification Number (i.e. ISIN) for each Multi-counter Eligible Security.

¹ In normal circumstances, the last four digits of the stock codes for the two counters of a Dual Counter Security will be identical. However, there are six stock codes, 86610, 86611, 86639, 86660, 86661 and 86663, which have been allocated for bonds of Ministry of the Finance of the People's Republic of China and as such, these codes will no longer be available for use by the relevant Dual Counter Securities.

12. For stamp duty, exchange fees and levies for a trading transaction, what currency can be used for such payment?

For secondary market trading in the RMB counter, trading-related fees and levies (such as the SFC Transaction Levy, AFRC Transaction Levy, etc.) and stamp duty should be paid to the Exchange in HKD. Brokers may provide currency conversion services to collect corresponding RMB amounts of trading-related fees and levies from investors and convert the same into HKD for payment to the Exchange. Investors should consult their brokers on the trading-related fees and levies collection offering.

13. How do single-counter and inter-counter trading work?

Single-counter trading

Single-counter trading is equivalent to trading HKD-denominated securities or RMB-denominated securities and there are no additional requirements for brokers as compared to the current practice. As usual, for trading under the RMB counter, brokers should ensure their own readiness for trading and settlement of securities in the RMB counter.

Inter-counter trading

Inter-counter trading means buying in one counter and selling in another counter as two independent transactions, even though both transactions involve the same security. However, brokers and their clients should ensure that necessary actions are taken to prevent failed settlement.

Brokers should review and ensure that their front and back office systems, as well as operations are ready to support such client trading activities.

From a regulatory standpoint, subject to compliance with the market misconduct provisions under the Securities and Futures Ordinance and other related rules and regulations (e.g. short selling), investors may buy securities from one counter first and then sell the same quantity on the other counter on the same day. Investors should be reminded that it is optional for EPs to provide inter-counter day trade services according to their operational capability, system limitations, settlement risks (as noted above) and any other business consideration.

Investors should consult his/her broker and understand the inter-counter day trade services, including the associated risks and fees, before engaging in any inter-counter day trades.

14. Do brokers need to enhance their systems or processes to support the Dual Counter Model?

The Dual Counter Model largely follows the existing trading arrangements for securities denominated in RMB (price validations, order types, trading sessions, etc.). For inter-counter transactions of the same securities, it involves two independent trading transactions with

different stock codes and stock short names. EPs are advised to review their systems and operations to ensure smooth inter-counter trading and post trade arrangements for Dual Counter Securities.

15. Currently OTP-C performs different checks before an order can be accepted to the central order book (e.g. the order price cannot deviate for more than 9 times from the current nominal price). How will such checking be performed for RMB counter?

OTP-C applies checking at the order level against the parameters of the specific counter, irrespective of the counter's trading currency.

16. Would the buying of one counter followed by the selling in the other counter be regarded as a long sale or a short sale?

As the two counters refer to the same securities, the sale would normally be regarded as a long sale.

17. Would the buying of securities in one counter followed by the selling in the other counter within the same trading day be permissible?

Yes, subject to compliance with the market misconduct provisions under the Securities and Futures Ordinance and other related rules and regulations. This would be permissible under the existing Rules of the Exchange. However, investors should consult his/her broker and understand the inter-counter day trade services, including the associated risks and fees, before engaging in any inter-counter day trades.

18. For Designated Securities eligible for short selling, would borrowing of securities in one counter followed by selling in the other counter be regarded as a covered short sale?

Yes, as the counters refer to the same securities, the sale would normally be regarded as a covered short sale and thus subject to the relevant short selling regulations as stipulated in the Eleventh Schedule of the Rules of the Exchange and the Securities and Futures Ordinance.

19. If the HKD counter is already a Designated Security eligible for short selling, will the RMB counter become a Designated Security too?

The list of Designated Securities eligible for short selling is published on the [HKEX website](#).

In principle, if the HKD counter (or the RMB counter) is already a Designated Security eligible for short selling, HKEX will designate the RMB counter (or the HKD counter) as a Designated Security eligible for short selling after consulting the SFC.

20. Where is the first sell order in the RMB counter coming from in the secondary market? Is the price in the RMB counter based on supply and demand or pegged to share price of the HKD counter? Any price difference between the HKD-RMB Dual Counters?

As securities between the HKD-RMB Dual Counters are of the same class, the first sell order in the RMB counter would be securities that will be converted from the respective HKD counter. There will be no price pegging between the two counters and the price of the RMB counter will be decided by supply and demand. There may be a price difference, adjusted by exchange rate, between the HKD-RMB Dual Counters and a DCMM Programme will be in place to minimize the price difference and provide liquidity in the RMB counter.

21. How is the Volatility Control Mechanism (“VCM”) determined for a Dual Counter Security?

If a Dual Counter Security is a VCM security based on the existing eligibility criteria, all of the counters would be subject to the same VCM triggering threshold. However, when VCM is triggered in one counter, it would not automatically trigger the VCM in the other counter.

22. What are the Pre-Opening Session (POS) arrangements for RMB counters?

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. After the first day of RMB counter trading, the previous closing price in the RMB counter will be used for the calculation of price limit in the POS for the RMB counter.

Dual Counter Market Maker and Designated Specialist for Dual Counter Securities

23. Who can apply for a DCMM Permit to make a market in a Dual Counter Security?

EPs of The Stock Exchange of Hong Kong Limited (“the Exchange”) that fulfil the criteria prescribed by the Exchange from time to time may apply for a DCMM Permit in a Dual Counter Security. The criteria include financial standing, trading record, personnel, computer equipment, internal security procedures, risk management policy and procedures, and any other criteria considered appropriate by the Exchange. An applicant should also provide the documents required for [application for a DCMM Permit](#) as detailed in the [Explanatory Notes for Application for Acquisition / Surrender of Dual Counter Market Maker Permit\(s\)](#) (“EN22”).

24. How to apply for the DCS-DS program?

EPs can apply for the registration of its corporate client to join as a DCS-DS. The corporate client must fulfil at least one of the conditions listed out in [Application for Registration / Removal of Designated Specialist under the Dual Counter Market Maker Regulations](#) (“Form 22A”). For interested corporate clients who are already Designated Specialist (“DS”) for ETP, a simplified process is adopted, where supporting information are only required when the corporate client intends to adopt any alternative arrangements (i.e. arrangements that are different from those for DS). The EPs should also provide the documents required for application for registration of DCS-DS as detailed in the [Explanatory Notes for Application for Registration / Removal of Designated Specialist under the Dual Counter Market Maker Regulations](#) (“EN22A”).

25. How does the DCS-DS Programme differ from the DCMM Programme?

The DCMM Programme only allows EPs of the Exchange to apply for market making permits and does not permit registration of corporate clients. The DCS-DS Programme, modelled after the successful ETP Designated Specialists Programme, allows DCMM to register eligible corporate clients as DCS-DSs, broadening participation to global liquidity providers.

26. Can a DCS-DS be registered by more than one DCMM?

A DCS-DS can be registered by more than one DCMM, provided the registrations are for different DCSs. Similarly, a DCMM can register one or more DCS-DSs for specified DCS. A DCMM may apply to make markets by itself together with its registered DCS-DS for the same DCS. The DCMM is fully responsible for its DCS-DSs’ activities, and DCS-DSs are subject to the same market making obligations, monitoring, and possible sanctions as DCMMs, with eligibility for certain exemptions and fee discounts. If DCMM does not fulfil its market making

obligations, this will not affect the market making activities carried out by its registered DCS-DSs.

27. What are the market making obligations of being a DCMM and DCS-DS?

A DCMM and its registered DCS-DS shall comply with the required market making obligations at the secondary counter of a Dual Counter Security only, as stipulated in the Rules of the Exchange including but not limited to entering two-side quotes within the applicable market maker obligations based on groupings by stocks and fulfilling the minimum participation rate requirement. In the initial stage of the Dual Counter Model, the Exchange has designated the RMB counters of the Dual Counter Securities as the secondary counters in order to enhance liquidity in the RMB counters, while the HKD counters have been designated as the primary counters.

28. Which types of transactions may qualify for stamp duty exemption under the DCMM Programme and DCS-DS Programme?

Please refer to Section 3.2 of EN22 for details of Eligible DCMM Transactions (as defined in EN22) which are qualified for stamp duty exemption. In short, for a sale or purchase of a Dual Counter Security to be qualified for stamp duty exemption, it must be made by an Exchange Participant in its capacity as a DCMM by itself or together with its registered DCS-DS and must be a Market Making Transaction, Hedging Transaction or Arbitrage Transaction (such transactions are specifically defined in EN22) made through the Exchange's OTP-C system under the designated broker number(s) of the DCMM. In addition to meeting the criteria for eligible type of transactions, DCMM and its registered DCS-DS shall also observe with other requirements specified in the EN22 for the stamp duty exemption.

29. What are the DCMM and DCS-DS obligations in respect of a Dual Counter Security if it undergoes rights issue or issue of equity warrants?

For rights issue of a Dual Counter Security, both HKD counter and RMB counter will be set up for the trading and settlement of nil paid rights ("NPR") created as a result of a rights issue of a Dual Counter Security. For the avoidance of doubt, market making obligations of a DCMM or its registered DCS-DS holding the relevant DCMM permit in such Dual Counter Security are not applied to the NPR in RMB counter.

For equity warrants of a Dual Counter Security, both HKD counter and RMB counter will be set up for the equity warrants of a Dual Counter Security. For the avoidance of doubt, market making obligations of a DCMM or its registered DCS-DS holding the relevant DCMM permit in such Dual Counter Security are not applied to the equity warrants in RMB counter.

30. Is a DCMM or its registered DCS-DS required to use a designated broker number(s) for conducting its market making and liquidity providing activities in the Dual Counter Securities for which it holds a current DCMM Permit?

Yes, a DCMM or its registered DCS-DS is required to conduct its market making and liquidity providing activities under a new Market Making Orion Central Gateway – Securities Market (MMOCG-C) Session(s), an existing MMOCG-C Session(s) for Securities Market Maker and/or an Orion Central Gateway – Securities Market (OCG-C) session(s). No matter a new or an existing session is used, the DCMM or its registered DCS-DS shall use a designated broker number(s) assigned by the Exchange for its order placing in the Dual Counter Security for which it holds a valid DCMM permit.

31. What are the testing requirements for becoming a DCMM or DCS-DS?

Exchange Participants who, or whose corporate clients, have interest in becoming a DCMM or DCS-DS are required to conduct end-to-end (E2E) test on their Broker Supplied System ("BSS"). If Exchange Participants are going to use a new BSS and apply for a new MMOCG-C session, in addition to E2E test, they are required to conduct offline simulator test and rollout test. If Exchange Participants are going to use OCG-C sessions for market making and liquidity providing activities, Exchange Participants should ensure that such BSS connecting to OCG-C session has been certified on DCMM functions. The same set of E2E test cases applies to both DCMM and DCS-DS. For details of testing requirements, they can refer to [Testing Services](#) web corner and the explanatory notes in relation to trading device at [HKEX website](#).

32. What are the market making-related arrangements of a Dual Counter Security if it is subject to parallel trading?

Unless otherwise specified by the Exchange, participants should refer to this FAQ and the [circular](#) dated 28 March 2024 for the market making-related arrangements of Dual Counter Securities around the parallel trading period.

During the parallel trading period, a Dual Counter Security will be traded under both a temporary trading counter and an original trading counter for each of its HKD counter and RMB counter respectively. During this period, the market making obligations of DCMM or its registered DCS-DS will be applicable to the original RMB counter only². The order input by DCMM or its registered DCS-DS at the temporary HKD counter and temporary RMB counter will not be recognized as valid DCMM orders by the Exchange during the parallel trading

² On the basis that the RMB counter has been designated as the secondary counter and the HKD counter is designated as the primary counter respectively.

period. As such, no DCMM Short Selling³ will be allowed at the temporary HKD and temporary RMB counters and any transaction concluded at such temporary counters shall not be qualified as Eligible DCMM Transactions (in accordance with the EN22 and the [Operation Procedures for Stamp Duty Collection](#)).

Before the commencement and after the end of the parallel trading period, a Dual Counter Security will have only one RMB counter opened for trading, either the temporary counter (during pre- commencement) or the original counter (after the end of parallel trading period). The market making obligations are hence applicable to that one RMB counter.

The relevant market making-related arrangements for DCMM or its registered DCS-DS before, during, and after the parallel trading period are summarised as follows:

³ As defined under the Rules of the Exchange.

	Counter	DCMM market making obligations applicable? (Y = Yes/ No = N)	Input of DCMM order (market making order, hedging order or arbitrage order) allowed? (Y = Yes/ N = No)	DCMM Short Selling allowed? (Y = Yes/ N=No)	Types of Eligible DCMM Transactions under 3.2.1 of EN22
<u>Stage 1 – pre-commencement of parallel trading period</u> (not applicable to cases of change in board lot size) <u>Original counters closed and temporary counters opened</u>	Temporary HKD	N	Y except market making order	Y	Hedging Transaction and Arbitrage Transaction
	Temporary RMB	Y	Y ⁴	Y	Market Making Transaction and Arbitrage Transaction
<u>Stage 2 – parallel trading period</u> <u>Original counters reopened, temporary counters opened</u>	Temporary HKD	N	N	N	Nil
	Temporary RMB	N	N	N	Nil
	Original HKD	N	Y except market making order	Y	Hedging Transaction and Arbitrage Transaction
	Original RMB	Y	Y ⁵	Y	Market Making Transaction and Arbitrage Transaction

⁴ Please refer to Note 2

⁵ Please refer to Note 2

	Counter	DCMM market making obligations applicable? (Y = Yes/ No = N)	Input of DCMM order (market making order, hedging order or arbitrage order) allowed? (Y = Yes/ N = No)	DCMM Short Selling allowed? (Y = Yes/ N=No)	Types of Eligible DCMM Transactions under 3.2.1 of EN22
<u>Stage 3 – after the end of parallel trading period</u> <u>Temporary counters closed, original counters opened</u>	Original HKD	N	Y except market making order	Y	Hedging Transaction and Arbitrage Transaction
	Original RMB	Y	Y ⁶	Y	Market Making Transaction and Arbitrage Transaction

⁶ Please refer to Note 2

Post Trade and Risk Management Arrangements

33. What are the post trade arrangements for Dual Counter Securities?

Dual Counter Securities are essentially a subset of Multi-counter Eligible Securities. The clearing and settlement of Dual Counter Securities will be the same as Multi-counter Eligible Securities under the STMC arrangement. For more details, please refer to [the FAQ for the STMC arrangement](#).