



香港聯合交易所
The Stock Exchange of Hong Kong

NEWS RELEASE

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**The Stock Exchange welcomes the government's plans
to reduce transaction costs**

The Stock Exchange of Hong Kong welcomes the latest plans of the Hong Kong Special Administrative Region Government to reduce the cost of securities transactions.

In today's Budget, Financial Secretary, Donald Tsang announced that stamp duty on stock transactions would be reduced by 10 per cent, from 0.25 per cent to 0.225 per cent.

Alec Tsui Yiu-wa, Chief Executive of the Stock Exchange, said there had been a regional and global trend to reduce costs for securities transactions. "Reduction of transaction costs will certainly increase the competitiveness of the Hong Kong securities market," he said.

Meanwhile, the Stock Exchange has referred to its participants a proposal to remove the minimum brokerage rate of 0.25 per cent on April 1, 2002.

It is also proposed that transactions in new products under the Nasdaq-Amex Pilot Programme and similar pilot programmes introduced before April 1, 2002 be immediately exempt from the minimum brokerage rule.

"Full liberalisation of brokerage rates seems inevitable, and its implementation will allow the Stock Exchange and its participants to compete more effectively for business from around the world," Mr Tsui said.

A review of the major international markets found that 13 of the 15 largest markets (by market capitalisation) had adopted a system of freely negotiated commission rates. The exceptions were Hong Kong and Taiwan.

Within Asia, brokerage rates in Japan and Korea are already fully liberalised and Singapore and Thailand have plans for full liberalisation.

The issue is understood to be a priority matter for the Board of Hong Kong Exchanges and Clearing which wants to position Hong Kong in the top tier of international markets.

The proposal can be viewed on the Stock Exchange's website at <http://www.sehk.com.hk>, and was sent to Exchange participants. Exchange participants have been asked to give their views on the proposal to the Stock Exchange on or before April 10, 2000.

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Corporate Communications Department

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