

香港中央結算有限公司
(香港交易及結算所有限公司全資附屬公司)

HONG KONG SECURITIES CLEARING COMPANY LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Revised Northbound Transfer Fee Arrangement in Relation to Shanghai-Hong Kong Stock Connect

Enquiry: Hotline at 2979-7123

Reference is made to the circulars issued by HKSCC on 28 July 2015 (Ref. No. [CD/CCO/CCASS/199/2015](#)) and 30 July 2015 (Ref. No. [CD/CCO/CCASS/203/2015](#)). The Transfer Fee payable by Hong Kong and international investors for Northbound Trading through Shanghai-Hong Kong Stock Connect was revised on 3 August 2015 and HKSCC waived the payment of the Transfer Fee under the General Rules of CCASS for the provision of Stock Connect Northbound clearing services by HKSCC for 6 months from 3 August 2015.

Participants shall note that the existing waiver arrangement will be extended to Friday, 12 February 2016 and then instead of immediately terminating the waiver arrangement, the following revised arrangement under which Participants shall be required to pay a Transfer Fee of **0.003%** of the **consideration** of each transaction in China Connect Securities per side will be applied for approximately 6 months until Friday, 12 August 2016:

- **0.002%** of the **consideration** of each transaction per side shall continue to be payable under ChinaClear's Shanghai-Hong Kong Stock Connect Rules; and
- only **50%** (instead of the existing 100%) of **0.002%** of the **consideration** of each transaction per side payable under the General Rules of CCASS for the provision of Stock Connect Northbound clearing services by HKSCC will be waived.

The above fees will continue to be collected through CCASS in RMB via day-end DDI under the same tariff codes (i.e. "X5" will continue be used to indicate HKSCC Transfer Fee under the General Rules of CCASS).

As a result of the revised fee arrangement, Participants are advised to assess with their internal IT support units or system vendors whether changes need to be made to their back office systems and if so, to ensure that all necessary changes are made when the fee revision takes effect.

No changes will be made to fees not covered above (i.e. fees payable on share transfers within CCASS and for the provision of depository and nominee services in relation to China Connect Securities will remain unchanged). An illustration of the calculation of the fees for Shanghai-Hong Kong Stock Connect Northbound trading and clearing as revised above with effect from 15 February 2016 and 15 August 2016 is set forth in the Attachment to this Circular for Participants' information.

The Information Book and Frequently Asked Questions for Investors and Market Participants will be updated and posted on the HKEx website (<http://www.hkex.com.hk/chinaconnect>).

Please send enquiries on trading arrangements to trd@hkex.com.hk and clearing and settlement arrangements to clg@hkex.com.hk.

Vicky Chan
Senior Vice President
Cash & Derivatives Clearing Operations

The following is an example illustrating the calculation of the revised fees for Shanghai-Hong Kong Stock Connect Northbound Trading and Clearing to be effective on 15 February 2016:

Assume that on T day, a Clearing Participant has to clear Northbound **Sell** Trades with details as follows:

Trade Quantity: 300 shares Trade Price: ¥ 10 per share

Fee Type	Description	Formula	Amount *
Handling Fee (經手費)	0.00487% of the consideration of the Sell Trade	$300 \times ¥ 10 \times 0.00487\%$ = ¥ 0.1461	¥ 0.15
Securities Management Fee (證管費)	0.002% of the consideration of the Sell Trade	$300 \times ¥ 10 \times 0.002\%$ = ¥ 0.06	¥ 0.06
Transfer Fee (過戶費)	0.002% of the consideration of the Sell Trade to be charged under ChinaClear's Shanghai-Hong Kong Stock Connect Rules	$300 \times ¥ 10 \times 0.002\%$ = ¥ 0.06	¥ 0.06
	0.002% of the consideration of the Sell Trade to be charged under the General Rules of CCASS	$300 \times ¥ 10 \times 0.002\%$ = ¥ 0.06	¥ 0.03 (Waived 50% of the fee for approximately six months until 12 August 2016)
Stamp Duty (交易印花稅)	0.1% of the consideration of the Sale Trade (imposed only on the <u>seller</u>)	$300 \times ¥ 10 \times 0.1\%$ = ¥3.00	¥ 3.00
Total transaction cost to settle the Sell Trade			¥ 3.30

* Note: Fees are rounded to the nearest cent.

The above fees will continue to be collected through CCASS in RMB via day-end DDI under the same tariff codes (i.e. "X5" will continue be used to indicate the HKSCC Transfer Fee under the General Rules of CCASS).

The following is an example illustrating the calculation of the revised fees for Shanghai-Hong Kong Stock Connect Northbound Trading and Clearing to be effective on 15 August 2016:

Assume that on T day, a Clearing Participant has to clear Northbound **Sell** Trades with details as follows:

Trade Quantity: 300 shares Trade Price: ¥ 10 per share

Fee Type	Description	Formula	Amount *
Handling Fee (經手費)	0.00487% of the consideration of the Sell Trade	$300 \times ¥ 10 \times 0.00487\%$ = ¥ 0.1461	¥ 0.15
Securities Management Fee (證管費)	0.002% of the consideration of the Sell Trade	$300 \times ¥ 10 \times 0.002\%$ = ¥ 0.06	¥ 0.06
Transfer Fee (過戶費)	0.002% of the consideration of the Sell Trade to be charged under ChinaClear's Shanghai-Hong Kong Stock Connect Rules	$300 \times ¥ 10 \times 0.002\%$ = ¥ 0.06	¥ 0.06
	0.002% of the consideration of the Sell Trade to be charged under the General Rules of CCASS	$300 \times ¥ 10 \times 0.002\%$ = ¥ 0.06	¥ 0.06
Stamp Duty (交易印花稅)	0.1% of the consideration of the Sale Trade (imposed only on the <u>seller</u>)	$300 \times ¥ 10 \times 0.1\%$ = ¥3.00	¥ 3.00
Total transaction cost to settle the Sell Trade			¥ 3.33

* Note: Fees are rounded to the nearest cent.

The above fees will continue to be collected through CCASS in RMB via day-end DDI under the same tariff codes (i.e. "X5" will continue be used to indicate the HKSCC Transfer Fee under the General Rules of CCASS).