

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

事項

Subject: **LAUNCH OF RENMINBI (RMB) EQUITY TRADING SUPPORT FACILITY (TSF) ON 24 OCTOBER 2011**

查詢

Enquiry: **Participant General Enquiry Hotline (Tel : 2840 3626 E-mail : trd@hkex.com.hk)**

HKEx is pleased to announce that starting 24 October 2011, the Renminbi (“RMB”) Equity Trading Support Facility (TSF) will be ready to support the trading of any RMB stocks on the Exchange.

1. What is TSF?

TSF is operated by HKEx’s clearing house, the Hong Kong Securities Clearing Company Limited (HKSCC) and is designed to serve as a back-up facility to enable investors who wish to buy RMB-traded shares (RMB shares) in the secondary market with Hong Kong Dollar (HKD) if they do not have sufficient RMB or have difficulty in obtaining RMB from other channels.

The TSF has made arrangement with a few banks in Hong Kong (the TSF Partner Banks) to provide RMB/HKD conversion services to the TSF on a principal-to-principal basis. The TSF will provide foreign exchange (FX) services through its Exchange Participant (EPs) to investors who wish to buy RMB stocks in the secondary market. The TSF’s RMB/HKD exchange rate will be set on a commercial basis by its Partner Banks. When investors sell the RMB stocks later on, they will have to return the RMB proceeds to the TSF for the equivalent amount of HKD at the TSF’s exchange rate at that time. This so-called “HKD In, HKD Out” mechanism will ensure that the RMB supplied by the TSF stays in the secondary market and that the offshore RMB market in Hong Kong, or the CNH market, remains intact.

2. Products supported by the TSF

To ensure the best use of the RMB fund available to the TSF, the TSF will only support the trading of equities in RMB initially. Other products, such as REITs (including the Hui Xian REIT), derivatives warrants and CBBs will not be supported for the moment. Upon the listing of any RMB stocks, the TSF will maintain a “List of TSF Stocks” for reference by investors. The “List of TSF Stocks” will be available at the HKEx website at http://www.hkex.com.hk/eng/market/sec_tradinfra/TSF/TSF.htm.

3. How to use the TSF?

EPs who are registered as TSF Participant can indicate their intention to use the TSF in the relevant buy or sell order when they input the order into the AMS. They should input “TSF” in the first three characters in the “Ref” field (for Terminal/MWS users) or “Broker Comment” field (for BSS users), and if the order is a buy order, they should make sure that the order is an at-auction order, special limit order, odd lot order or special lot order. Therefore, EPs who are not TSF Participant must not input “TSF” as the first three characters of the “Ref” field or “Broker Comment” field when entering orders of RMB securities.

..... / Page 2

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Upon the listing of the first RMB stock, the TSF will start providing RMB FX rates to EPs and investors through the HKEx website. Indicative rates will be provided at the beginning of the respective trading sessions for reference by EPs and investors, while final rates will be provided after the respective trading sessions. The final FX rates will be used by the TSF to settle FX transactions with EPs, and will normally be equal to or better than the relevant indicative FX rates.

EPs who have indicated intention in the buy or sell order to use the TSF are required to settle FX transactions with the TSF on T+2 if the order is matched on the AMS. Settlement of the FX transactions is conducted on CCASS through the CCASS money settlement process. EPs can refer to the circular issued by HKSCC today for the details of clearing matters in relation to TSF.

4. Registration as TSF Participants

EPs interested in using the TSF are required to comply with the TSF Participant Registration Criteria (Attachment 1) and register with the Exchange as “**TSF Participants**” before they are allowed to use the TSF.

Some EPs have participated in a TSF Simulation Test in September 2011, and some have applied to participate in another TSF Simulation Test on 15 and 16 October 2011. Registration is now open for EPs who have successfully completed the TSF Simulation Test and have confirmed their readiness for dealing and handling of TSF transactions. Interested EPs should complete the TSF Registration Form in Attachment 1 and return to Participant Services of Cash Market Department of HKEx on or before 21 October 2011. A “List of TSF Participants” will be posted on HKEx website http://www.hkex.com.hk/eng/market/sec_tradinfra/TSF/TSF.htm for the information of the public.

Upon the launch of the TSF on 24 October 2011, a one-month stabilization period, ended on 23 November 2011, will be reserved. During the stabilization period, no application for registration will be accepted except for EPs who have successfully completed the TSF Simulation Test.

5. Getting ready

EPs who have decided to register as TSF Participants are reminded to get ready their front office systems, back office systems and operational procedures (including internal processes, control procedures and documentation) for using the FX Services provided by the TSF, in making TSF FX Orders and handling all aspects of TSF Exchange Trades and TSF FX Transactions as required or contemplated by the rules, including the Rules of the Exchange, the General Rules of CCASS and CCASS Operational Procedures, which are available at www.hkex.com.hk.

TSF Participants should communicate with their clients who are interested in using the TSF and get ready the client agreements, communication channels, procedures and documentation with them.

6. Further information about the TSF

This circular explains important information relating to the TSF. Participants should also refer to the webpage dedicated to TSF for more detailed information (http://www.hkex.com.hk/eng/market/sec_tradinfra/TSF/TSF.htm), such as the TSF Information Paper, FAQ, registration criteria, etc.

Should you have any questions regarding the above information, please contact the Participant General Enquiry Hotline at 2840 3626.

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