

Rules of the Exchange

CHAPTER 1

INTERPRETATION

101. In these Rules, unless the context otherwise requires:-

“Afternoon Session”	means the period in the afternoon during which trading can be conducted on the Exchange as set out in Rule 501(1);
“Continuous Trading Session”	means the trading hours specified in Rule 501(1) and (in respect of the Extended Trading Securities) Rule 501A, comprising the Morning Session, the Afternoon Session and in respect of the Extended Trading Securities, the Extended Morning Session;
“Extended Morning Session”	means the trading hours immediately after the end of the Morning Session (as specified in Rule 501(1)) to the commencement of the Afternoon Session (as specified in Rule 501(1));
“Morning Session”	means the period in the morning during which trading can be conducted on the Exchange as set out in Rule 501(1);
“Pre-opening Session”	means from 9:00 a.m. to the commencement of the Morning Session as specified in Rule 501(1) on a trading day;
“trading hours”	means the hours during which trading can be conducted on the Exchange as set out in Rule 501;

CHAPTER 5

TRADING

Operational Trading Rules

Trading Hours

501. (1) Trading is conducted on every weekday, unless otherwise determined by the Board (excluding Saturdays and public holidays) at the times specified below or at such other times as may be determined by the Chief Executive in consultation with the Chairman and the Commission:-
- (a) The Morning Session shall commence at 9:30 a.m. and end at 12:00 noon; and
 - (b) The Afternoon Session shall commence at 1:30 p.m. and end at 4:00 p.m. provided that with effect from 5 March 2012, the Afternoon Session shall commence at 1:00 p.m. and end at 4:00 p.m..

There is no Afternoon Session on the eves of Christmas, New Year and Lunar New Year.

Pre-opening Session

- 501G. (1) Unless otherwise determined by the Exchange, the Pre-opening Session shall comprise four periods in the following sequence:
- (i) the order input period which shall commence at 9:00 a.m. and end at 9:15 a.m.;
 - (ii) the pre-order matching period which shall commence at 9:15 a.m. and end at 9:20 a.m.;
 - (iii) the order matching period which shall commence at 9:20 a.m. and end at 9:28 a.m.; and
 - (iv) the blocking period which shall commence at 9:28 a.m. and end at 9:30 a.m..

Termination of terminal activities

502. All terminal activities (except enquiries) shall, unless otherwise determined by the Board, be terminated:
- (a) at the commencement of the order matching period for the Pre-opening Session;
 - (b) at the end of the Morning Session;
 - (c) at the end of the Afternoon Session; and
 - (d) at such time or times as may be determined by the Chief Executive in consultation with the Chairman and the Commission.

Cancellation of orders

- 502A. Cancellation of orders entered in the Morning Session is permitted from 30 minutes before the Afternoon Session of the same trading day unless otherwise determined by the Board.

Transactions

- 520(1). Each selling Exchange Participant shall input into the System details of a sale transaction within 15 minutes after the conclusion of the transaction, but not later than:
- (a) 15 minutes after the commencement of the Morning Session in respect of transactions concluded in the Pre-opening Session;
 - (b) the end of the Morning Session in respect of transactions concluded in the Morning Session; and
 - (c) the end of the Afternoon Session in respect of transactions concluded in the Afternoon Session.
- 520(2). Any transactions not recorded in the System before the end of trading on a trading day shall be reported to the Exchange within the order input period and the pre-order matching period of the Pre-opening Session, or within the first 15 minutes of the commencement of the Continuous Trading Session on the next trading day as transactions concluded on that trading day on which the reporting has been made

provided that if there is no Continuous Trading Session on the next trading day for whatever reason, any such transactions not reported to the Exchange as aforesaid shall be reported to the Exchange not later than the first 15 minutes of the commencement of the first trading session of the next Continuous Trading Session as transactions concluded during the trading session on which the reporting has been made.

- 520(3). Rules 520(1) and 520(2) shall apply to all transactions other than direct business transactions and transactions concluded by automatic order matching.
- 520(4). In respect of a sale transaction relating to an issue of a Structured Product concluded for the account of the issuer of the Structured Product or its associates, the selling Exchange Participant shall, in addition to complying with the requirements of Rules 520(1) to 520(2), report to the Exchange in such manner as the Board shall from time to time determine.
- 520(5). A selling Exchange Participant which fails to comply with Rules 520(1) to 520(4) shall be liable to disciplinary action by the Board.

Review and Rejection

523. Each buying Exchange Participant shall review details of the transactions as recorded in its favour in the System and reject any erroneous input as soon as it discovers an error but not later than:
- (a) the commencement of the order matching period in respect of transactions inputted into the System during the Pre-opening Session;
 - (b) the end of the Morning Session in respect of transactions inputted into the System during the Morning Session; and
 - (c) the end of the Afternoon Session in respect of transactions inputted into the System during the Afternoon Session.

Direct Business

526. (1) (a) It is the duty of every Exchange Participant conducting direct business transactions within the Pre-opening Session and the trading hours stipulated in Rule 501(1) to input details of such transactions into the System within 15 minutes after the conclusion of the transactions and in any event not later than
- (i) 15 minutes from the commencement of the Morning Session in respect of transactions concluded during the Pre-opening Session,
 - (ii) the end of the Morning Session in respect of transactions concluded during the Morning Session and
 - (iii) the end of the Afternoon Session in respect of transactions concluded during the Afternoon Session,
- provided that no such duty exists for transactions concluded through automatic order matching.
- (b) Any transactions not recorded in the System before the end of trading on a trading day shall be reported to the Exchange within the order input period and the pre-order matching period of the Pre-opening Session, or within the first 15 minutes of the commencement of the Continuous

Trading Session on the next trading day as transactions concluded on that trading day on which the reporting is made provided that if there is no Continuous Trading Session on the next trading day for whatever reason, any such transactions not reported to the Exchange as aforesaid shall be reported to the Exchange not later than the first 15 minutes of the commencement of the first trading session of the next Continuous Trading Session as transactions concluded during the trading session in which the reporting is made.

- (c) In respect of a direct business transaction relating to an issue of a Structured Product concluded for the account of the issuer of the Structured Product or its associates, the Exchange Participant shall, in addition to the above requirements, report to the Exchange in such manner as the Board shall from time to time determine.

Day-end Review of Sales/Purchases Journal

- 528. (1) It is the duty of every Exchange Participant to review both sales and purchases journals at the end of each trading session. Any discrepancy, erroneous transaction or complaint should be reported to the Exchange in the form prescribed by the Board from time to time not later than 15 minutes after the commencement of the Morning Session of the next trading day.

Typhoons and Rainstorms

- 571. Unless otherwise decided by the Board, the trading and settlement arrangements relating to the hoisting and lowering of Typhoon Signals and the issuance and cancellation of Black Rainstorm Warnings shall be as follows:

- (1) (a) Trading arrangement for all trading days except the eves of Christmas, New Year and Lunar New Year where the Hong Kong Observatory has hoisted or lowered a Typhoon Signal No. 8 or above

(i)	If a Typhoon Signal No. 8 or above is hoisted at any time prior to 9:00 a.m.:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Commencement of trading in the Pre-opening Session will take place at 9:00 a.m. as usual if the Signal is lowered at or before 7:00 a.m.. - There will be no trading in the Pre-opening Session if the Signal is lowered after 7:00 a.m.. - Commencement of trading in the Morning Session will take place: <ul style="list-style-type: none"> - at 9:30 a.m. as usual if the Signal is lowered at or before 7:30 a.m.; - at 10:00 a.m. if the Signal is lowered at or before 8:00 a.m.;
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		<ul style="list-style-type: none"> - at 10:30 a.m. if the Signal is lowered at or before 8:30 a.m.; or - at 11:00 a.m. if the Signal is lowered at or before 9:00 a.m.. - There will be no trading in the Morning Session if the Signal is lowered after 9:00 a.m.. - Commencement of trading in the Afternoon Session will take place: <ul style="list-style-type: none"> - prior to 5 March 2012, at 1:30 p.m. if the Signal is lowered at or before 11:00 a.m.; and on or after 5 March 2012, at 1:00 p.m. if the Signal is lowered at or before 11:00 a.m.; - at 1:30 p.m. if the Signal is lowered at or before 11:30 a.m.; or - at 2:00 p.m. if the Signal is lowered at or before 12:00 noon. - There will be no trading for the day if the Signal is lowered after 12:00 noon.
(ii)	<p>If a Typhoon Signal No. 8 or above is hoisted during the Pre-opening Session:</p>	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Trading in the Pre-opening Session will continue until the end of the Session but there will be no trading in the Morning Session and the Extended Morning Session. - Commencement of trading in the Afternoon Session will take place: <ul style="list-style-type: none"> - prior to 5 March 2012, at 1:30 p.m. if the Signal is lowered at or before 11:00 a.m.; and on or after 5 March 2012, at 1:00 p.m. if the Signal is lowered at or before 11:00 a.m.; - at 1:30 p.m. if the Signal is lowered at or before 11:30 a.m.; or - at 2:00 p.m. if the Signal is lowered at or before 12:00 noon. - There will be no trading in the Morning Session, the Extended Morning Session and the Afternoon Session if the Signal is lowered after 12:00 noon.

(iii)	If a Typhoon Signal No. 8 or above is hoisted during the Morning Session:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Trading will be terminated 15 minutes after the hoisting of the Signal and there will be no trading in the Extended Morning Session. - Commencement of trading in the Afternoon Session will take place: <ul style="list-style-type: none"> - prior to 5 March 2012, at 1:30 p.m. if the Signal is lowered at or before 11:00 a.m.; and on or after 5 March 2012, at 1:00 p.m. if the Signal is lowered at or before 11:00 a.m.; - at 1:30 p.m. if the Signal is lowered at or before 11:30 a.m.; or - at 2:00 p.m. if the Signal is lowered at or before 12:00 noon. - There will be no trading in the Extended Morning Session and the Afternoon Session if the Signal is lowered after 12:00 noon.
(iv)	If a Typhoon Signal No. 8 or above is hoisted after the end of the Morning Session but before the commencement of the Afternoon Session (i.e. during the Extended Morning Session):	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - If there was trading in the Morning Session, trading in the Extended Morning Session will be terminated 15 minutes after the hoisting of the Signal and there will be no trading in the Afternoon Session. - If there was no trading in the Morning Session and pursuant to Rule 501B, no trading in the Extended Morning Session, there will also be no trading in the Afternoon Session.
(v)	If a Typhoon Signal No. 8 or above is hoisted during the Afternoon Session:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Trading will be terminated 15 minutes after the hoisting of the Signal and there will be no trading for the rest of the day.

(1)	(aa) Trading arrangement for the eves of Christmas, New Year and Lunar New Year where the Hong Kong Observatory has hoisted or lowered a Typhoon Signal No. 8 or above	
(i)	If a Typhoon Signal No. 8 or above is hoisted at any time prior to 9:00 a.m.:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Commencement of trading in the Pre-opening Session will take place at 9:00 a.m. as usual if the Signal is lowered at or before 7:00 a.m.. - There will be no trading in the Pre-opening Session if the Signal is lowered after 7:00 a.m.. - Commencement of trading in the Morning Session will take place: <ul style="list-style-type: none"> - at 9:30 a.m. as usual if the Signal is lowered at or before 7:30 a.m.; - at 10:00 a.m. if the Signal is lowered at or before 8:00 a.m.; - at 10:30 a.m. if the Signal is lowered at or before 8:30 a.m.; or - at 11:00 a.m. if the Signal is lowered at or before 9:00 a.m.. - There will be no trading for the day if the Signal is lowered after 9:00 a.m..
(ii)	If a Typhoon Signal No. 8 or above is hoisted during the Pre-opening Session:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Trading in the Pre-opening Session will continue until the end of the Session but there will be no trading in the Morning Session.
(iii)	If a Typhoon Signal No. 8 or above is hoisted during the Morning Session:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Trading will be terminated 15 minutes after the hoisting of the Signal and there will be no trading for the rest of the day.
(1)	(b) Trading arrangement for all trading days where the Hong Kong Observatory has issued or cancelled a Black Rainstorm Warning	
(i)	If a Black Rainstorm Warning is issued at any time prior to 9:00 a.m.:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Commencement of trading in the Pre-opening Session will take place at 9:00 a.m. as usual if the Warning is cancelled at or before 7:00 a.m..

		<ul style="list-style-type: none"> - There will be no trading in the Pre-opening Session if the Warning is cancelled after 7:00 a.m.. - Commencement of trading in the Morning Session will take place: <ul style="list-style-type: none"> - at 9:30 a.m. as usual if the Warning is cancelled at or before 7:30 a.m.; - at 10:00 a.m. if the Warning is cancelled at or before 8:00 a.m.; - at 10:30 a.m. if the Warning is cancelled at or before 8:30 a.m.; or - at 11:00 a.m. if the Warning is cancelled at or before 9:00 a.m.. - There will be no trading in the Morning Session if the Warning is cancelled after 9:00 a.m. - Commencement of trading in the Afternoon Session will take place: <ul style="list-style-type: none"> - prior to 5 March 2012, at 1:30 p.m. if the Warning is cancelled at or before 11:00 a.m.; and on or after 5 March 2012, at 1:00 p.m. if the Warning is cancelled at or before 11:00 a.m.; - at 1:30 p.m. if the Warning is cancelled at or before 11:30 a.m.; or - at 2:00 p.m. if the Warning is cancelled at or before 12:00 noon. - There will be no trading for the day if the Warning is cancelled after 12:00 noon.
(ii)	<p>If a Black Rainstorm Warning is issued during the Pre-opening Session, the Morning Session or the Afternoon Session:</p>	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - If there was trading before the issuance of the Warning, trading will continue as usual. - If there was no trading before the issuance of the Warning, there will be no trading provided that if the Warning was issued during the Pre-opening Session or the Morning Session, commencement of trading in the Afternoon Session will take place:

		<ul style="list-style-type: none"> - prior to 5 March 2012, at 1:30 p.m. if the Warning is cancelled at or before 11:00 a.m.; and on or after 5 March 2012, at 1:00 p.m. if the Warning is cancelled at or before 11:00 a.m.; - at 1:30 p.m. if the Warning is cancelled at or before 11:30 a.m.; or - at 2:00 p.m. if the Warning is cancelled at or before 12:00 noon. <p>There will be no trading for the day if the Warning is cancelled after 12:00 noon.</p>
(iii)	If a Black Rainstorm Warning is issued after the end of the Morning Session but before the commencement of the Afternoon Session (i.e. during the Extended Morning Session):	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - If there was trading in the Morning Session, trading in the Extended Morning Session and the Afternoon Session will take place as usual. - If there was no trading in the Morning Session and pursuant to Rule 501B, no trading in the Extended Morning Session, there will also be no trading in the Afternoon Session.

- (2)
- (a) The settlement arrangements for all trading days where the Hong Kong Observatory has hoisted or lowered a Typhoon Signal No. 8 or above are set out in the CCASS Rules. Please refer to the CCASS Rules for details.
 - (b) The settlement arrangements for all trading days where the Hong Kong Observatory has issued or cancelled a Black Rainstorm Warning are set out in the CCASS Rules. Please refer to the CCASS Rules for details.

OPERATION PROCEDURES FOR STAMP DUTY COLLECTION

5. TRADE AMENDMENT FOR T DAY TRANSACTIONS

- 5.1 An Exchange Participant shall be responsible to apply for approval for trade amendment for T day transactions to the Exchange no later than 9:45 a.m. on T+1 day. No late application will be entertained.

7. TRANSACTIONS NOT RECORDED IN THE SYSTEM BEFORE MARKET CLOSE

- 7.1 Any transactions not recorded in the Exchange's trading system before the end of the Afternoon Session on a trading day (or before the end of the Morning Session on a trading day which does not have an Afternoon Session) shall be reported to the Exchange within the order input period and the pre-order matching period of the Pre-opening Session on the next trading day, or within the first 15 minutes after the commencement of the Continuous Trading Session on the next trading day, and the Exchange will treat the reporting date as the transaction date.