

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

Subject: Share Trading Obligation under the Regulation on Markets in Financial Instruments ("MiFIR")

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

All capitalized terms used shall bear the same meaning as set out in the Rules of The Stock Exchange of Hong Kong (the "Rules") unless otherwise defined herein.

Article 23(1) of MiFIR requires European Union ("EU") investment firms to ensure that the trades they undertake in shares admitted to trading on regulated markets or traded on trading venues should take place on regulated markets, multilateral trading facilities, systematic internalisers or third-country trading venues that have been assessed by the European Commission as equivalent in accordance with Article 25(4)(a) of the Markets in Financial Instruments Directive ("MiFID II").

On 14 December 2017, the European Commission published an implementing decision in the Official Journal of the EU deeming the legal and supervisory framework of Hong Kong to be equivalent to the EU's frameworks for the purposes of Article 25(4)(a) of MiFID II.

The Securities and Futures Commission has agreed with the relevant service in the European Commission (FISMA) that, on the basis of currently available trading data, HSBC Holdings PLC (Stock code: 5) and Standard Chartered PLC (Stock code: 2888) are the only shares listed on the Exchange whose trading in the EU constitutes a significant percentage of the shares' global trading volume and therefore, Article 23(1) of MiFIR will apply to these shares only. Which companies are within the purview of Article 23(1) will be reviewed periodically and any changes will be notified to Exchange Participants.

Accordingly, all transactions in shares of HSBC Holdings PLC and Standard Chartered PLC conducted by Exchange Participants on the SEHK in accordance with the Rules, including any direct business transactions executed under the Rules, will comply with the trading obligation set out in Article 23(1) of MiFIR.

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