

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: Amendments to the Options Trading Rules (the “Rules”) and the Operational Trading Procedures for Options Trading Exchange Participants (the “Procedures”) of The Stock Exchange of Hong Kong Limited (“SEHK”)

Enquiry: HKATS Hotline¹ (Tel: 2211-6360 E-mail: hkatssupport@hkex.com.hk)

Holders of Stock Exchange Trading Rights and Exchange Participants of SEHK are requested to note that the Securities and Futures Commission has approved amendments to the Rules and the Procedures of SEHK for the purpose of including in the Rules and the Procedures references to the new FRC Transaction Levy, which will come into effect on 1 January 2022 under the Financial Reporting Council Ordinance (Cap. 588).

The amendments, as set out in Appendices 1 and 2, will come into effect on Saturday, 1 January 2022.

The marked-up version of the amendments can be downloaded from the following sections of the HKEX website:

- [“Rule Update - Options Trading Rules of the Stock Exchange”](#)
- [“Rule Update - Operational Trading Procedures for Options Trading Exchange Participants of the Stock Exchange”](#)

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Head of Legal

¹ All calls to the HKATS hotline would be recorded. Please refer to the following link for HKEX privacy policy statement: http://www.hkex.com.hk/eng/global/privacy_policy.htm

Options Trading Rules

THE STOCK EXCHANGE OF HONG KONG LIMITED

OPTIONS TRADING RULES

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CHAPTER 1

DEFINITIONS AND INTERPRETATION

Definitions

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

"FRC Transaction Levy"	means the levy payable to the Financial Reporting Council pursuant to the provisions of section 50A of the Financial Reporting Council Ordinance;
"Investor Compensation Levy"	means the levy payable to the Commission pursuant to the provisions of section 4 of the Securities and Futures (Investor Compensation - Levy) Rules;
"SFC Transaction Levy"	means the levy payable to the Commission pursuant to the provisions of section 394 of the Ordinance;

CHAPTER 3

OPTIONS EXCHANGE PARTICIPANTS' OBLIGATIONS

Transaction Levies and Investor Compensation Levy

305. Applicable SFC Transaction Levy at the rate for the time being specified by the Ordinance shall be paid in respect of each Options Contract. No FRC Transaction Levy and Investor Compensation Levy are payable in respect of each Options Contract in accordance with the Financial Reporting Council Ordinance and the Securities and Futures (Investor Compensation – Levy) Rules respectively. The SFC Transaction Levy, the FRC Transaction Levy and the Investor Compensation Levy at the rates for the time being specified in the Securities and Futures (Levy) Order, the Financial Reporting Council Ordinance and the Securities and Futures (Investor Compensation - Levy) Rules respectively, shall be paid in respect of every purchase and sale of underlying securities pursuant to the exercise of an OCH Contract.

Operational Trading Procedures for Options Trading Exchange Participants

APPENDIX B: OPTIONS CONTRACT SPECIFICATIONS

B11 Tier Levels

All option classes are classified into three tiers. Different trading tariffs are applicable to Tier 1, Tier 2 and Tier 3 option classes as specified in Appendix A. Unless otherwise expressly specified by the Exchange, the tier level of an option class is determined by the nominal value* of the total number of shares of the underlying stock in respect of an option contract fixed before introduction of the option class. An option class with a nominal value above HK\$25,000 (or an equivalent amount) will be classified as Tier 1, an option class with a nominal value of HK\$25,000 (or an equivalent amount) or below but above HK\$10,000 (or an equivalent amount) will be classified as Tier 2 and an option class with a nominal value of HK\$10,000 (or an equivalent amount) or less will be classified as Tier 3.

The Exchange has absolute discretion to determine the tier level and will review the tier level either on a regular basis or as and when there are capital adjustments to the underlying stock of the option class.

Any determination of a tier level for a new option class will be notified to Options Trading Exchange Participants via HKATS, email or such other means as the Exchange considers appropriate.

* The nominal value will be determined according to the closing price of the underlying stock one trading day before the consultation with the Commission. When the underlying stock has no prior trading on the Exchange, the offer price per share of the public offering of the underlying stock (exclusive of brokerage, SFC Transaction Levy, FRC Transaction Levy and Investor Compensation Levy) will be used and in the event that the offer price is not available, the lowest offer price of the indicative offer price range stated in the prospectus will be used.