

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

Enquiry: Participant General Enquiry Hotline¹ (Tel: 2840 3626 E-mail: trd@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, Trading Rules and the Procedures of SEHK relating to the renaming of Financial Reporting Council to Accounting and Financial Reporting Council.

The amendments, as set out in Appendices 1, 2 and 3, will come into effect on Wednesday, 22 November 2023.

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

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

Florence Leung
Head of Legal

¹ Calls to and from the Participant General Enquiry Hotline may be recorded. HKEX Privacy Notice is available [here](#).

Rules of the Exchange

CHAPTER 1

INTERPRETATION

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

“AFRC Transaction Levy” means the levy payable to the Accounting and Financial Reporting Council pursuant to the provisions of section 50A of the Accounting and Financial Reporting Council Ordinance;

“Transaction Levies” means the SFC Transaction Levy and AFRC Transaction Levy;

CHAPTER 11

TRANSACTION AND INVESTOR COMPENSATION LEVIES

1103. The rate of the SFC Transaction Levy shall be at a rate as specified from time to time in the Securities and Futures (Levy) Order of the amount of the consideration for each purchase or sale of securities (rounded to the nearest cent). The rate of the AFRC Transaction Levy shall be at a rate as specified from time to time in the Accounting and Financial Reporting Council Ordinance of the amount of the consideration for each purchase or sale of securities (rounded to the nearest cent). The rate of the Investor Compensation Levy shall be at a rate as specified from time to time in the Securities and Futures (Investor Compensation - Levy) Rules of the amount of the consideration for each purchase or sale of securities (rounded to the nearest cent). The respective rates of the SFC Transaction Levy, the AFRC Transaction Levy and the Investor Compensation Levy and the manner of collection (determined by the Board from time to time) will be notified to Participants by circular.

1104. (a) An Exchange Participant shall state in every contract note to clients as separate items relevant amounts of the Transaction Levies and the Investor Compensation Levy payable to the Exchange according to the requirements of the Commission. Relevant amounts of the SFC Transaction Levy and the AFRC Transaction Levy may be stated either as separate items or as an aggregate amount.

(b) A Special Participant shall state in every contract note relevant amounts of the

- (b) A Special Participant shall state in every contract note relevant amounts of the Transaction Levies payable to the Exchange according to the requirements of the Commission. Relevant amounts of the SFC Transaction Levy and the AFRC Transaction Levy may be stated either as separate items or as an aggregate amount.
1105. (a) An Exchange Participant shall keep complete and true records of and maintain separate accounts for the SFC Transaction Levy, the AFRC Transaction Levy and the Investor Compensation Levy actually collected from clients and remitted to the Exchange. An Exchange Participant shall whenever called upon by the Board so to do produce its books and records for inspection by any person authorised by the Board.
- (b) A Special Participant shall keep complete and true records of the SFC Transaction Levy and the AFRC Transaction Levy actually paid by it to the Exchange under Rule 1102(b). A Special Participant shall whenever called upon by the Board so to do produce its books and records for inspection by any person authorised by the Board.
1108. If any Participant fails to remit any SFC Transaction Levy, AFRC Transaction Levy and/or Investor Compensation Levy to the Exchange within the period specified in Rule 1107, a surcharge at the same rate as the rate of the late remittance charge, if any, specified in the Securities and Futures (Levy) Rules, the Accounting and Financial Reporting Council Ordinance or the Securities and Futures (Investor Compensation-Levy) Rules (as the case may be) on the outstanding SFC Transaction Levy, AFRC Transaction Levy and/or Investor Compensation Levy payable shall be imposed. If any SFC Transaction Levy, AFRC Transaction Levy, Investor Compensation Levy and the surcharges remain unpaid at the end of the month in which the SFC Transaction Levy, the AFRC Transaction Levy and/or the Investor Compensation Levy is/are due, the Participant shall be liable to be suspended from trading and may be subject to any other disciplinary action as the Board may think fit. Notwithstanding any such action which the Board may take against the Participant in default, the Board may also take legal action to recover the outstanding amount of Transaction and Investor Compensation Levies and surcharges, and all expenses incurred or to be incurred by the Board for taking recovery action against the Participant shall be borne by such Participant.
1109. Where the total amount of the SFC Transaction Levy, the AFRC Transaction Levy or the Investor Compensation Levy in a return of a Participant under Rule 1106 is different from the sum computed by the Exchange on the basis of transactions as recorded by the Exchange, such Participant shall take immediate actions to verify the records to ascertain the correct amount that should be payable. It shall however remit the lesser of the two sums to the Exchange under Rules 1107 and 1108. Upon the correct amount being ascertained, the amount owing, if any, shall be paid to the Exchange immediately. In case of dispute, the amounts computed by the Exchange as aforesaid shall, in the absence of manifest error, be final and binding.
1112. Without prejudice to Rule 1103, the SFC Transaction Levy payable for a sale and

purchase of Exchange Traded Options is payable by the seller and the buyer, and is 0% of the consideration for each sale or purchase in accordance with the Securities and Futures (Levy) Order and no AFRC Transaction Levy and Investor Compensation Levy are payable in accordance with the Accounting and Financial Reporting Council Ordinance and the Securities and Futures (Investor Compensation – Levy) Rules respectively.

1113. Without prejudice to 1103, the SFC Transaction Levy payable for a sale or purchase of securities by an Exchange Participant acting in the capacity as a Securities Market Maker for a Market Making Security is nil in accordance with the Securities and Futures (Levy) Order and no AFRC Transaction Levy and Investor Compensation Levy are payable in accordance with the Accounting and Financial Reporting Council Ordinance and the Securities and Futures (Investor Compensation – Levy) Rules respectively.
- 1114B. The AFRC Transaction Levy so collected by the Exchange under these Rules shall be paid to the Accounting and Financial Reporting Council in accordance with the Accounting and Financial Reporting Council Ordinance and these Rules.

Options Trading Rules

CHAPTER 1

DEFINITIONS AND INTERPRETATION

Definitions

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

"AFRC Transaction Levy"	means the levy payable to the Accounting and Financial Reporting Council pursuant to the provisions of section 50A of the Accounting and Financial Reporting Council Ordinance;
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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 AFRC Transaction Levy and Investor Compensation Levy are payable in respect of each Options Contract in accordance with the Accounting and Financial Reporting Council Ordinance and the Securities and Futures (Investor Compensation – Levy) Rules respectively. The SFC Transaction Levy, the AFRC Transaction Levy and the Investor Compensation Levy at the rates for the time being specified in the Securities and Futures (Levy) Order, the Accounting and 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

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, AFRC 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.