

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: **USE OF NON-STANDARD NETWORKING TECHNOLOGIES FOR TRADING ON
THE STOCK EXCHANGE OF HONG KONG**

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

The Stock Exchange of Hong Kong (“the Exchange”) would like to clarify the Exchange’s position regarding the use of non-standard networking technologies when Options Trading Exchange Participants (“OTEPs”) connect to the Exchange’s trading platform.

As trading technologies evolve and OTEPs may seek to improve their connectivity to the Exchange’s trading platform, the Exchange would like to remind OTEPs to abide by the following two **main principles** when developing advanced trading technologies (including order placement strategies and networking techniques) for trading on the Exchange:

1. Not interfere with other OTEPs’ activities at both the platform and network level; and
2. Not subject the Exchange’s platforms, networks or systems to undue risks or operational burden.

In order to ensure every OTEP can trade in a fair and orderly market, activities including the following will be considered to be in violation of the above principles and inconsistent with the proper usage of the Exchange’s trading system, and are therefore prohibited:

- a) Deliberate fragmentation of Transmission Control Protocol (TCP) messages (‘packet splitting’);
- b) Deliberate retransmission of TCP or application layer messages;
- c) Deliberate transmission of corrupt network packets;
- d) Inappropriate/excessive use of non-trading messages such as heartbeat, connection management; and
- e) Hold up or interfere with normal queuing and processing of network or application messages.

¹ All calls to the HKATS hotline would be recorded. Please refer to the following link for HKEX privacy policy statement: https://www.hkex.com.hk/Global/Exchange/Privacy-Notice?sc_lang=en

The above list of activities is not exhaustive and other behaviours that conflicts with main principles 1 and 2 above would also be prohibited. Any attempt to carry out any of the above prohibited activities would attract the Exchange's further investigation and if grounds exist, disciplinary action will be taken by the Exchange in accordance with the Exchange's rules.

OTEPs are reminded that they are bound by their obligations set out in the HKATS Subscription and License Agreement and shall comply with the Exchange's rules relating to their trading practices.

Matthew Cheong
Co-Head
Trading Department
Operations Division

This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.