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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 and the Operation Procedures for Stamp Duty Collection of The Stock Exchange of Hong Kong Limited ("SEHK")

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Holders of Stock Exchange Trading Rights and Exchange Participants are requested to note that the Securities and Futures Commission has approved amendments to the Rules of the Exchange and the Operation Procedures for Stamp Duty Collection of SEHK for the purpose of introducing a designated specialist programme for dual counter market makers in the dual counter securities market.

The amendments, as set out in Appendices 1 and 2, will come into effect on Monday, 26 January 2026.

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 - Operation Procedures for Stamp Duty Collection](#)"

Beatrice Lung
Head of Legal

Rules of the Exchange

CHAPTER 1

INTERPRETATION

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

“Designated Specialist” means a corporate client of, as the context may require:-

- (a) a Securities Market Maker registered with the Exchange by the Securities Market Maker as its Designated Specialist to perform market making activities with it or for whose account the Securities Market Maker may enter into the System market making orders for a specified security or securities for which that Securities Market Maker holds a current Securities Market Maker permit; or
- (b) a Dual Counter Market Maker registered with the Exchange by the Dual Counter Market Maker as its Designated Specialist to perform market making or liquidity providing activities with it or for whose account the Dual Counter Market Maker may enter into the System DCMM orders for a specified Dual Counter Security or Dual Counter Securities for which that Dual Counter Market Maker holds a current Dual Counter Market Maker permit;

“Dual Counter Market Maker Short Selling” means the short selling of a Dual Counter Security which is conducted by a Dual Counter Market Maker for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists in connection with its activities for market making or liquidity providing in accordance with the Nineteenth Schedule to these Rules and which may be made below the POS reference price (during the Pre-opening Session), the best current ask price (during the Continuous Trading Session) or the CAS reference price (during the Closing Auction Session). For the purpose of Dual Counter Market Maker Short Selling, a Dual Counter Market Maker shall not be required to satisfy the requirements set forth in the definition of short selling in the Eleventh Schedule to the extent that it is so exempted under the Ordinance;

CHAPTER 2

ADMINISTRATION

Registers

- 234A. The Register of Designated Specialists shall include the names and addresses of the Designated Specialist and the Securities Market Maker or the Dual Counter Market Maker, as the case may be, which has applied to the Exchange for registration of such Designated Specialist, and such other information as may be required by law or by the Board from time to time.

CHAPTER 5

TRADING

Operational Trading Rules

Dealings in Suspended Securities

539. Under no circumstances shall an Exchange Participant deal in suspended securities otherwise than as set out in this Rule. An Exchange Participant which fails to comply with this Rule shall be liable to disciplinary action by the Board except that the following dealings in suspended securities shall not constitute a breach of this Rule:-
- (3A) where trading in a Dual Counter Security is suspended, the borrowing of shares of such Dual Counter Security by a Dual Counter Market Maker for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists for the purpose of completing a Dual Counter Market Maker Short Selling transaction concluded prior to the suspension;

Short Selling

- 563D. (9) Dual Counter Market Maker Short Selling shall be limited to transactions in Dual Counter Securities effected on the Exchange by a Dual Counter Market Maker for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists during the Pre-opening Session, the Continuous Trading Session and the Closing Auction Session. A Dual Counter Market Maker engaged in Dual Counter Market Maker Short Selling shall comply at all times with the Ordinance and the Regulations regarding Dual Counter Market Maker Short Selling in the Nineteenth Schedule to these Rules as approved by the Exchange from time to time.
- 563E. (2) The Exchange reserves the right at its absolute discretion:-
- (c) to impose open short sold position limits on the number of shares of a

particular Designated Security which an Exchange Participant may hold on its own account or for the account of its clients, on the number of shares of a particular Market Making Security which a Securities Market Maker may hold in respect of Securities Market Maker Short Selling for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists, on the number of shares of a particular Dual Counter Security which a Dual Counter Market Maker may hold in respect of Dual Counter Market Maker Short Selling in either or both the primary counter and secondary counter for its own account or for the account of any of its affiliates, or for the account of any of its Designated Specialists on the number of Structured Products which a Structured Product Liquidity Provider may hold in respect of Structured Product Liquidity Provider Short Selling for the account of an issuer or the account of any of its associates, on the number of shares of a particular underlying stock of a Designated Index (as defined in the Fifteenth Schedule) or the Tracker Fund of Hong Kong which a Designated Index Arbitrage Short Selling Participant may hold on its own account or for the account of its clients in respect of Designated Index Arbitrage Short Selling, on the number of shares of an underlying stock of a Stock Futures Contract traded on HKFE which a Designated Stock Futures Hedging Short Selling Participant may hold for a client in respect of Stock Futures Hedging Short Selling, on the number of shares of an underlying stock of a single stock derivative warrant or a single stock CBBC which a Structured Product Hedging Participant may hold for the account of an issuer or the account of any of its associates in respect of Structured Product Hedging Short Selling and on the number of shares of an underlying stock of an Options Contract which a Market Maker may hold for its own account or for the account of an affiliate or which an Options Hedging Participant may hold for the account of a Market Maker or for the account of an affiliate of the Market Maker in respect of Options Hedging Short Selling;

- (e) (x) to require a Dual Counter Market Maker to liquidate any or all open short sold positions held in respect of Dual Counter Market Maker Short Selling for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists in either or both the primary counter and secondary counter and either generally or in relation to a particular Dual Counter Security;
- (g) (ix) to require a Dual Counter Market Maker to disclose to the Exchange the number of shares and the counter of a particular Dual Counter Security in which the Dual Counter Market Maker holds an open short sold position for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists.

NINETEENTH SCHEDULE

DUAL COUNTER MARKET MAKER REGULATIONS ("REGULATIONS")

APPLICATION FOR REGISTRATION OF DESIGNATED SPECIALIST

- (5A) (a) A Dual Counter Market Maker may apply to and register with the Exchange one or more of its corporate clients as its Designated Specialists. The application must be made in writing in the form prescribed by the Exchange from time to time. If the application is approved, the name of the Designated Specialist, each Dual Counter Security for which the Designated Specialist is registered and the name of the applying Dual Counter Market Maker shall be entered into the Register of Designated Specialists kept by the Exchange.
- (b) No Dual Counter Market Maker shall apply to register a corporate client to be its Designated Specialist for a Dual Counter Security if such corporate client is already registered as a Designated Specialist of another Dual Counter Market Maker for the same Dual Counter Security.
- (c) A Dual Counter Market Maker may apply to register one or more of its Designated Specialists for any Dual Counter Security specified in its current Dual Counter Market Maker permit.
- (5B) (a) Before approving the application to register a Designated Specialist, the Exchange may give regard to such matters as the Exchange may, in its absolute discretion, consider to be appropriate and shall require the applying Dual Counter Market Maker to demonstrate to the satisfaction of the Exchange that its corporate client which it is applying for registration as a Designated Specialist has satisfied at least one of the following conditions:
- (i) it is an entity licensed by or registered with the Commission for Type 1 or Type 2 regulated activity under the Ordinance, or licensed or registered for similar activity by an overseas authority having a memorandum of understanding with the Commission for the sharing of market surveillance information;
 - (ii) it is an entity which is a licensed bank regulated by an authority acceptable to the Exchange;
 - (iii) it is an entity which has maintained a current long-term credit rating of A- or above (Standard & Poor's) or A3 or above (Moody's); or
 - (iv) it has maintained a paid-up capital of at least HK\$50,000,000 and shareholders' funds of at least HK\$100,000,000.

and the Designated Specialist shall also comply with such other conditions and/or other requirements as may be prescribed by the Exchange from time to time.

- (b) At the time of making an application under Regulation (5A)(a), a Dual Counter Market Maker shall submit a declaration to the Exchange in a form prescribed by the Exchange from time to time stating that it has entered into a legally binding agreement with the corporate client which it is applying to be its Designated Specialist in which the corporate client has agreed with the Dual Counter Market Maker to comply with, through the Dual Counter Market Maker, the obligations set out in Regulations (9), (10) and (12) of this Schedule and the Dual Counter Market Maker Obligations in or prescribed under the Appendix to this Schedule as approved by the Exchange from time to time as if it were the Dual Counter Market Maker upon the corporate client being registered as a Designated Specialist. The Dual Counter Market Maker shall immediately notify the Exchange in writing when the agreement referred to in this Regulation ceases to have any effect or the Dual Counter Market Maker has reasons to believe that such an agreement shall become so. In these circumstances, the Exchange may revoke the registration of the Designated Specialist and remove its name and other related details from the Register of Designated Specialists.
- (c) A Dual Counter Market Maker shall ensure that each of its Designated Specialists comply with the conditions set out in or prescribed under Regulation (5B)(a) at all times. A Dual Counter Market Maker shall immediately notify the Exchange in writing when any of its Designated Specialists ceases to comply with the conditions prescribed in or under Regulation (5B)(a) and the Exchange shall revoke the registration of such Designated Specialist and remove its name and other related details from the Register of Designated Specialists.
- (d) A Dual Counter Market Maker shall immediately notify the Exchange in writing upon becoming aware of any of the following matters:-
 - (i) any change in information relating to any of its Designated Specialists supplied to the Exchange at the time of application or from time to time;
 - (ii) any of its Designated Specialists being in breach of any rules or regulatory requirements of the regulatory authority it is subject to;
 - (iii) any disciplinary action taken by the regulatory authority against any of its Designated Specialists which it is subject to; or
 - (iv) any restrictive action being imposed on any of its Designated Specialists by the regulatory authority or any other bodies or authorities which it is subject to.
- (e) A Dual Counter Market Maker shall give not less than three months' (or such shorter period of time as the Exchange may allow) prior written notice to the Exchange if the Dual Counter Market Maker wishes to have the name of any of its Designated Specialists removed from the Register of Designated Specialists. The Exchange shall, upon expiration of the said notice, revoke the registration of the said Designated

Specialist and remove its name and other related details from the Register of Designated Specialists.

- (f) The Exchange may approve an application on such conditions as it thinks fit, and if it considers necessary, amend or cancel any condition to which the approval is then subject.
- (g) The Exchange shall have absolute discretion to withhold or withdraw approval or revoke or suspend the registration of a Designated Specialist at any time and shall not be required to give any reason for its action. The decision of the Exchange shall be final and conclusive.
- (h) A Dual Counter Market Maker shall procure each of its Designated Specialists to provide information to the Dual Counter Market Maker or, at the Exchange's request, to the Exchange directly in relation to any investigation or inquiries which involve market making or liquidity providing activities, including but not limited to the provision of accounts and reports or any other documents which the Exchange may request from time to time.
- (i) Upon expiration or revocation of the Dual Counter Market Maker permit, the registration of each Designated Specialist of a Dual Counter Market Maker shall be revoked and the name and address of the Designated Specialist and of the Dual Counter Market Maker shall be removed from the Register of Designated Specialists.

RIGHTS AND OBLIGATIONS OF DUAL COUNTER MARKET MAKERS

- (8) Each Dual Counter Market Maker shall enter market making orders of Dual Counter Securities for which it holds current Dual Counter Market Maker permits in respect of such Dual Counter Securities into the System, for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists. Market making orders entered by a Dual Counter Market Maker shall be input into the System during the Pre-opening Session, the Continuous Trading Session or the Closing Auction Session.
- (13) (a) Each Dual Counter Market Maker may enter market making orders and conclude trades in the System for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists to improve the liquidity and spread in the secondary counter of the Dual Counter Security for which it holds a current Dual Counter Market Maker permit.
- (b) The Dual Counter Market Maker may, for the purpose of hedging against the risk of short or long market making positions arising from trades in Regulation (13)(a) above, enter hedging orders in the primary counter of the same Dual Counter Security and conclude trades in the System for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists. Hedging orders entered by a Dual Counter Market Maker may be input into the System during the Continuous Trading Session or the Closing Auction Session.

- (c) The Dual Counter Market Maker may, for arbitrage purpose, enter arbitrage orders and conclude trades in the System for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists. Arbitrage orders entered by a Dual Counter Market Maker may be input into the System during the Pre-opening Session, the Continuous Trading Session or the Closing Auction Session.

- (14) All DCMM orders entered by a Dual Counter Market Maker into the System shall be for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists and shall not be for the account of or for the benefit of any third party. A Dual Counter Market Maker shall be fully responsible and liable for all DCMM orders entered into the System irrespective of whether it is for its own account or for the account of any of its affiliates or for the account of any of its Designated Specialists.

RIGHTS AND OBLIGATIONS OF DUAL COUNTER MARKET MAKERS WITH DESIGNATED SPECIALISTS

- (15A) A Dual Counter Market Maker which intends to register any Designated Specialist for a specified Dual Counter Security shall indicate to the Exchange in such manner as the Exchange may from time to time determine if it will also perform market making or liquidity providing activities for that specified security by itself together with the Designated Specialist, in which case the Dual Counter Market Maker shall, notwithstanding the registration of any Designated Specialist, be obliged to comply with the obligations set out in Regulations (9), (10) and (12) and the Dual Counter Market Maker Obligations in or prescribed under the Appendix as approved by the Exchange from time to time.
- (15B) A Dual Counter Market Maker which has registered one or more Designated Specialist for a specified Dual Counter Security shall enter DCMM orders for the account of itself, where applicable, and each such Designated Specialist in respect of that specified security and shall maintain separate accounts for itself and each such Designated Specialist.
- (15C) A Dual Counter Market Maker must have in place the necessary systems and procedures to maintain sufficient risk management control on itself and its Designated Specialists.
- (15D) A Dual Counter Market Maker shall be fully responsible and liable for all acts or omissions of each of its Designated Specialists and for breach, infringement or non-compliance of these Rules and the Regulations.
- (15E) A Dual Counter Market Maker shall enter market making orders into the System and conclude trades and perform market making or liquidity providing activities by itself and/or with its Designated Specialists in such manner as prescribed by the Exchange from time to time.
- (15F) A Dual Counter Market Maker shall ensure that each of its Designated Specialists shall at all times comply with the obligations set out in Regulations (9), (10) and (12) and the Dual Counter Market Maker Obligations in or prescribed under the Appendix as approved by the Exchange from time to time.

- (15G) Without prejudice to the general power of the Exchange to revoke or suspend the registration of a Designated Specialist under Regulation (5B)(g), the registration of the Designated Specialist may be revoked and its name and other related details removed from the Register of Designated Specialists (i) if the Dual Counter Market Maker fails to comply with Regulation (15F) or (ii) if the Designated Specialist has, in the opinion of the Exchange, manipulated or distorted the market for one or more Dual Counter Securities or attempted to do so or abused its capacity as a Designated Specialist of the Dual Counter Market Maker.

DUAL COUNTER MARKET MAKER SHORT SELLING

- (25) Notwithstanding anything to the contrary contained in these Rules, Dual Counter Market Maker Short Selling by a Dual Counter Market Maker or a Dual Counter Market Maker for its Designated Specialists shall be conducted in accordance with these Regulations and in compliance at all times with the Ordinance.
- (27) A Dual Counter Market Maker Short Selling order may be input into the System for the Dual Counter Market Maker's account or for the account of any of its affiliates or for the account of any of its Designated Specialists during the Pre-opening Session, the Continuous Trading Session or the Closing Auction Session. In respect of a Dual Counter Market Maker Short Selling order, a Dual Counter Market Maker shall when inputting the order into the System, indicate in such manner as the Exchange shall from time to time determine, that the order is a Dual Counter Market Maker Short Selling order.

APPENDIX TO NINETEENTH SCHEDULE

DUAL COUNTER MARKET MAKER OBLIGATIONS ("Obligations")

- 3A. In the event that a Designated Specialist of a Dual Counter Market Maker fails to meet the minimum participation rate in a Dual Counter Security in a trading day in accordance with the Nineteenth Schedule for five or more days in a month for two consecutive months, the registration of the Designated Specialist may be revoked at the Exchange's discretion and its name and other details removed from the Register of Designated Specialists.

Operation Procedures for Stamp Duty Collection

OPERATION PROCEDURES FOR STAMP DUTY COLLECTION

3B. IDENTIFICATION OF ELIGIBLE DCMM TRANSACTIONS BY DUAL COUNTER MARKET MAKERS, THEIR AFFILIATES AND DESIGNATED SPECIALISTS

- (1) In respect of a relevant Dual Counter Security for which a Dual Counter Market Maker has been granted a Dual Counter Market Maker permit, a Dual Counter Market Maker shall (for its own account, for the account of any of its affiliates and, if applicable, for the account of its registered Designated Specialist(s)) submit to the Exchange, prior to 10:15 a.m. on the trading day following T day (T+1 day), a completed Dual Counter Market Maker activity form to report all transactions made on T day according to the various categories of transactions specified on the form. The form shall be in such format and shall be submitted to the Exchange through the ECP or in such other manner as may be prescribed by the Exchange from time to time. The Dual Counter Market Maker shall (for its own account, for the account of any of its affiliates and, if applicable, for the account of its registered Designated Specialist(s)) also report in the Form SD-1 submitted by it to the Exchange under Clause 2.4 (a) the stamp duty exemption claimed with respect to the transactions included in its Dual Counter Market Maker activity form.
- (2) A Dual Counter Market Maker shall not claim a transaction as an Eligible DCMM Transaction in the Dual Counter Market Maker activity form or the Form SD-1 if the transaction concerned does not satisfy such conditions and requirements for stamp duty exemption as referred to under Clause 2.1(c).
- (3) The Exchange may, without prior notice to the Dual Counter Market Maker concerned, notify the Collector of Stamp Revenue immediately whenever it has reasonable grounds to believe that a transaction which does not fall under Clause 2.1(c) has been identified and reported as a transaction for stamp duty exemption in the Dual Counter Market Maker activity form or the Form SD-1.