

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: **Enhancements to Volatility Control Mechanism (VCM) for Exchange Traded Products**

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The Stock Exchange of Hong Kong Limited (the “Exchange”) announces the below enhancements to VCM for Exchange Traded Products (“ETPs”)¹, effective from 02 November 2026 (“Effective Date”).

Since its introduction to eligible ETPs in 2022, the VCM has supported orderly trading during periods of heightened market volatility. The ETP market has since continued to expand across product types, asset classes and underlying exposures, and the Exchange has refined the VCM framework applicable for ETPs to ensure that it remains appropriately aligned with the evolving ETP landscape and characteristics of the products.

The eligibility criteria for inclusion of ETPs as VCM securities set out in the Exchange Circular dated 14 January 2022 (Ref No.: [ETP/001/22](#)) remain unchanged. A list of [VCM securities](#) and their respective triggering thresholds is available on the HKEX website.

Updated VCM Triggering Thresholds (from Effective Date onwards)

Based on the type of ETPs and leverage factor (as applicable), the applicable triggering thresholds and price bands within the cooling-off period are set out below:

ETP type and leverage factor (as applicable)	Triggering threshold	Price band within cooling-off period
ETFs and -1x Index Inverse Products	±5%	±5%
2x Index Leveraged Products and -2x Index Inverse Products	±10%	±10%

¹ Includes Exchange Traded Funds (“ETFs”) and Leveraged & Inverse Products (“L&I Products”)

-1x Single Stock Inverse Products	±10%	±10%
Single Stock Leveraged Products with leverage factor larger than 1x but smaller or equal to 1.5x	±15%	±15%
Single Stock Inverse Products with leverage factor smaller than -1x but larger than or equal to -1.5x	±15%	±15%
Single Stock Leveraged Products with leverage factor larger than 1.5x but smaller than or equal to 2x	±20%	±20%
Single Stock Inverse Products with leverage factor smaller than -1.5x but larger than or equal to -2x	±20%	±20%

The Exchange will review the list of ETPs to be included into or removed from the list of VCM securities every quarter. For Single Stock L&I Products with a flexible leverage structure², the review will be based on the leverage factor of the product as at the quarter-end. The Exchange will announce the review result via a circular.

Other features of VCM for ETPs will remain the same and will apply accordingly.

For enquiries, please email ETFs@hkex.com.hk.

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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.

² [Paragraph 5 of the Appendix, SFC Circular dated 24 July 2026 - Circular on listed structured funds](#)