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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: Supplementary Information for the Introduction of Weekly Stock Options on 4 November 2024

Enquiry: For technical enquiries:

- HKATS (Hotline¹: 2211-6360 E-mail: hkatssupport@hkex.com.hk)
- DCASS (Hotline: 2979-7222 E-mail: clearingpsd@hkex.com.hk)

For business enquiries:

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Reference is made to the circulars (ref: [EQD/03/24](#), [EQD/09/24](#)) dated 8 May 2024 and 23 July 2024, respectively, regarding the introduction of weekly expiries for selected single stock option classes (“Weekly Stock Options”). The Stock Exchange of Hong Kong Limited (“the Exchange” or “SEHK”) will commence trading of Weekly Stock Options for the selected stock options classes on **Monday, 4 November 2024** (the “Launch Date”). Please refer to the circulars (ref: [MSM/007/2024](#), [LSD/76/2024](#), [LSD/77/2024](#)) for the updated Large Open Position Report template and the relevant rule amendments related to Weekly Stock Options.

The Exchange would like to remind the Participants of the testing schedule for Weekly Stock Options, the Market Making arrangements and the strike listing changes.

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

Exchange Participants' ("EPs") and Clearing Participants' ("CPs") Readiness

EPs are required to confirm their system readiness by completing the test cases successfully in either the testing environment by 25 October 2024 (Friday) or the practice session in order to be granted with trading rights in Weekly Stock Options for the first-week after the Launch Date.

CPs are recommended to perform tests in the testing environment or join the practice session on 19 October 2024 to confirm their system and operational readiness for clearing of Weekly Stock Options. In order to be granted with clearing rights in Weekly Stock Options, CPs who opt not to participate in the testing environment or the practice session are still required to submit the "Confirmation Form – Readiness to Clear Weekly Stock Options"² on or before 25 October 2024.

#	Date	Event	Details
1	From now onwards	Testing in HKATS/DCASS testing environment	<p>EPs please contact HKATS Support by email (hkatssupport@hkex.com.hk) to receive the information package with the relevant test cases and arrange the date for performing the test</p> <p>CPs please contact DCASS operations by email (ClearingPSD@hkex.com.hk) to receive the information package with the relevant test cases and arrange the date for performing the test</p>
2	19 October 2024 (Saturday)	Practice Session	Please complete the online registration form here to enroll in the practice session.

More details on the technical information for Weekly Stock Options are set forth for reference in the [Weekly Stock Options webpage](#).

² The relevant forms have been delivered to all CPs via email.

Market Making Arrangements

Referencing the [circular](#) dated 23 July 2024, the Exchange would like to supplement below details on the market making arrangements.

Interested parties are reminded to submit Form OP004 to the Exchange by 28 October 2024 in order to be market maker in Weekly Stock Option market on the Launch Date. Additional information on the arrangements is set forth below for reference.

With a Weekly Stock Option market maker permit:

Stamp Duty Special Rate (SDSR)	The existing SDSR on market makers' hedging trades in cash market will apply to weekly stock options market maker. The same arrangements of the options market maker stamp duty programme as specified in EN18 will apply to weekly contracts. Weekly and monthly option contract positions in a market making accounts will be incorporated into a single boundary calculation.
Short selling	Weekly stock options hedging short selling shall be conducted in accordance with SEHK Rules - 15th Schedule
Excess Position Limit	Weekly stock options will be eligible for excess position limits as specified under section 4A of the Securities and Futures (Contracts Limits and Reportable Positions) Rules
Large Open Position Reporting	Market maker positions will be eligible for the waiver from large open position reporting requirements

Eligible applicants will be restricted to regular market makers for the monthly stock options of the relevant stock option class(es). A market maker will need to surrender both weekly and monthly permits if they surrender the monthly permit of a particular stock options class.

Automatic Strike Listing through to the expiry day

For all stock option contracts, historically, new strike prices would not be generated automatically upon the daily price movement of the underlying on the expiry day and the final 5 trading days before the expiry day. Effective on the Launch Date of weekly stock options contracts, new strike prices will be automatically listed till the expiry day for all stock options. This ensures that options have strike

prices around the underlying price. This change will apply to both monthly and weekly stock options. Please refer to the [circular](#) for the relevant rule amendments.

To promote consistency across monthly and weekly options traded on the SEHK and Hong Kong Futures Exchange Limited (the “HKFE”), on 30 September 2024, HKFE standardised the automatic strike listing rules to enable automatic strike listing upon the daily underlying price movement through to the expiry day for all option products traded on HKFE. Please refer to the [circular](#) for details.

David Lutz
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Equities Product Development

This circular has been prepared in English with a Chinese translation. If there is any inconsistencies between the two versions, the English version shall prevail.