

[HK SAR Government welcomes introduction of block trading under mutual access programme](#)

The China Securities Regulatory Commission and the Securities and Futures Commission issued a joint announcement today (August 11) on the consensus to introduce block trading (manual trades) under the mutual market access programme. The Hong Kong Special Administrative Region (HK SAR) Government welcomed the decision.

The Chief Executive, Mr John Lee, said, "In accordance with the National 14th Five-Year Plan, the HK SAR Government has strived to deepen and widen the mutual access between the Mainland and Hong Kong financial markets. Following the expansion of the scope of eligible stocks under Stock Connect to include Exchange-traded Funds, stocks of foreign companies primary listed in Hong Kong, and more listed companies in Shanghai and Shenzhen over the last year, the measure announced by the regulators of the two places today signifies another breakthrough of Stock Connect, enriching the existing trading channels and enhancing trading efficiency. The measure will further facilitate the mutual access and concerted development of the two capital markets, strengthening Hong Kong's position and function as an international financial centre and global offshore Renminbi business hub. I am most grateful to the Central People's Government and relevant authorities for their staunch support."

The Financial Secretary, Mr Paul Chan, said, "The introduction of the block trading arrangement is important in deepening the interaction and integration of the capital markets. It can enhance the certainty and transparency in the transaction price and timing for large-sized securities transactions, thereby allowing investors to manage their asset allocation more efficiently at lower costs, while reducing the potential price impact of relevant transactions through auto-matching. The measure would help meet the increasing demand of cross-border block trading from investors in the two places, and is conducive to further enhancing cross-border liquidity. I am most grateful to the Central People's Government for supporting this initiative. We will continue to closely liaise with relevant Mainland authorities and institutions to implement the arrangement as soon as possible."

According to the joint announcement, offshore investors will be able to conduct block trades on the Shanghai Stock Exchange and the Shenzhen Stock Exchange through the Northbound trading of Stock Connect, while Mainland investors will be able to conduct manual trades on the Stock Exchange of Hong Kong Limited through the Southbound trading of Stock Connect under the initiative. The stock exchanges of the two places will study the relevant business, technical and regulatory arrangements and consult the market to develop an implementation proposal. A separate announcement will be made on

the implementation details and the launch date.