

HKEX's Stock Connect programme has expanded to include ETFs since 2022. This milestone underlines Hong Kong's role as a superconnector facilitating the vital flow of capital between East and West and represents a significant step in HKEX's mission to connect China and the World.

2014	2016	2022	2024
Launch of Hong Kong-Shanghai Stock Connect	Launch of Hong Kong-Shenzhen Stock Connect	Inclusion of ETFs into Stock Connect	Expanded eligibility criteria for ETFs in Stock Connect

Why list in Hong Kong?

Tap into China's wealth

HK\$38.1bn Southbound Stock Connect average daily turnover¹, April 2024

Mainland Chinese investors are increasingly diversifying portfolios overseas, with Hong Kong as the preferred destination.

Supported by liquidity providers

30+ ETF market makers

Market makers contribute to a deep pool of liquidity in Hong Kong's ETF market, offering strong support to ETF issuers.

Deep pool of liquidity

HK\$14.0bn Hong Kong ETF market average daily turnover, 2023

Hong Kong's ETF market is growing rapidly with average daily turnover up 17% y-o-y in 2023. HKEX is committed to further market enhancements and new products.

Access regional investor base

As Asia's ETF marketplace, Hong Kong is a top ETF trading destination for investors across the region, from the Middle East, to Southeast and East Asia.



¹ Calculation based on average daily total trade value (buy and sell trades) of Hong Kong-listed securities (including ETFs) through Shanghai and Shenzhen Southbound Stock Connect. For more information about the Stock Connect programme, please refer to the web link [here](#).

Product eligibility

To be eligible for Southbound Stock Connect, an ETF needs to meet all of the following criteria:

	Inclusion criteria ²
Type of ETF	Not a synthetic ETF or Leveraged and Inverse Product
Listing duration	Listed for at least six months
History of benchmark index	Launched for at least one year
AUM	Average daily AUM over the past 6 months of at least HK\$550 million ³ (An ETF will become a sell-only security if its average daily AUM over the past 6 months drops below HK\$450 million)
Weighting of SEHK-listed stocks in benchmark index	60% or above, including secondary-listed stocks on SEHK ⁴ (An ETF will become a sell-only security if the weighting of SEHK-listed stocks in the underlying index drops below 55%)
Weighting of Stock Connect-eligible constituents in benchmark index	60% or above for all benchmark indices (An ETF will become a sell-only security if the weighting drops below 55%)
Weighting of a constituent in benchmark index	<ul style="list-style-type: none">Broad-based indices⁵: No more than 30% for a constituent stock (An ETF will become a sell-only security if the upper limit is exceeded)Non-broad-based indices⁶: No more than 15% for a constituent and no more than 60% for the top five constituents combined (An ETF will become a sell-only security if either of the above upper limits is exceeded)

Contact us

Please visit [HKEX.com.hk](https://www.hkex.com.hk) or click on the below links for further details.

Stock Connect

https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc_lang=en

HKEX ETP Overview

https://www.hkex.com.hk/Products/Securities/Exchange-Traded-Products/Overview?sc_lang=en

HKEX ETP issuer – How to apply to list on HKEX

https://www.hkex.com.hk/Products/Securities/Exchange-Traded-Products/Issuers/Overview?sc_lang=en

Should you have any questions, please contact us at ETFs@hkex.com.hk.

² A semi-annual review will be conducted to screen the eligibility of ETFs based on both inclusion and exclusion criteria.

³ Must be traded in HKD.

⁴ The Stock Exchange of Hong Kong ("SEHK").

⁵ Broad-based indices refer to indices whose constituent selection is not limited to a specific industry or investment theme but reflects the performance of a certain market or a certain size of stocks.

⁶ For non-broad-based indices, the index should comprise at least 30 stock constituents. At least 90% in weighting of constituent stocks should fall within the top 80% shares by average daily turnover (ADT) ranking in the relevant stock exchange in the past 12 months. An ETF will become a sell-only security if either of these criteria is breached.

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