

News Room

News Release

HKEx News Release

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HKEx to Explore Emissions-related and Gold-related Products

The Board of Directors of Hong Kong Exchanges and Clearing Limited (HKEx) has discussed the final reports from consultants appointed by HKEx to study the feasibility of trading commodities derivatives and emissions-related products in Hong Kong. After considering the consultants' recommendations, the Board set forth the following policy direction.

Emissions-related products

HKEx will seek to develop its existing businesses (eg initial public offerings, Exchange Traded Funds [ETFs], index-linked products) with a focus on environmental and greenhouse gases (GHG) markets.

HKEx will work to facilitate the listing of emissions-related structured products and ETFs on its securities market, and it will actively explore the introduction of derivatives linked to emissions.

HKEx will seek to partner with an overseas exchange to build a trading /clearing platform for trading in carbon (eg GHG allowances and credits) and/or other emissions-related products in Hong Kong. HKEx is prepared to discuss the formation of such a partnership with the anticipation of reaching some sort of agreement before the end of this year.

In addition, HKEx will explore establishing an auction in Hong Kong for Certified Emissions Reduction units.

HKEx will continue to monitor the development of emissions-related products and markets in the region and globally in order to explore further commercial opportunities.

Commodities derivatives

HKEx will work to facilitate the listing of gold-related structured products and ETFs on its securities market, and it will explore the introduction of derivatives linked to any gold-related structured products or ETFs listed on its securities market.

HKEx will prepare a proposal on trading cash-settled gold futures and options on its markets for submission to the Securities and Futures Commission and continue monitoring developments in the world's commodities markets.

"Expanding our existing businesses such as the derivative warrant and ETF markets with emissions-related products and gold-related products will help strengthen Hong Kong's position as an international financial centre and exploring other opportunities in these areas will ensure we are well positioned for the future." said HKEx Chief Executive Paul Chow. "Our market systems can support the trading of the products that are part of these initiatives so any IT-related investment will be insignificant.

"Initiatives like these tend to have lengthy timeframes so we are taking a long-term view," Mr Chow added.