HKEX News Update: Consultation Conclusions on Proposed Board Lot Framework Enhancements in the Hong Kong Securities Market

On 30 June 2026, The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") published Consultation Conclusions regarding proposed enhancements to the board lot framework for equity securities and REITs (collectively, "**Applicable Securities**[1]") traded in the securities market of Hong Kong.

The key changes include:

(a) Reduction of the Board Lot Value Floor Guidance

- Board lot value floor guidance reduces from HK$2,000 to HK$1,000.

(b) Introduction of Board Lot Value Ceiling Guidance

- Board lot value ceiling guidance sets at HK$50,000 which is only applicable to issuers using board lot units exceeding 100 shares.

(c) Standardisation of Board Lot Units

- The number of board lot units in use reduces from over 40 to 8 defined options (i.e., 1, 50, 100, 500, 1,000, 2,000, 5,000 and 10,000 share(s)).

(d) Two-Phase Implementation

- Phase 1 (effective 2 July 2026)

  - Prospective issuers with Initial Public Offering ("**IPO**") application filings (including the refiling of IPO applications lapsed before 2 July 2026) made on or after 2 July 2026 to comply with all three components set out in the paragraphs (a) to (c);
  - Prospective issuers with IPO application filings made before 2 July 2026 and existing issuers to comply with the updated board lot value floor guidance and the new board lot value ceiling guidance[2] set out in the paragraphs (a) and (b). They are required to comply with all three components[3] set out in the paragraphs (a) to (c) when they undertake corporate actions involving a change of board lot unit, share consolidation or share sub-division submitted on or after 2 July 2026; and

[1] "Applicable Securities" refer to securities including equities (except Equity Warrants, Investment Companies, Trading Only Securities, SPAC Shares and SPAC Warrants) and REITs traded in the securities market of Hong Kong. Exchange Traded Products, Debt Securities and Structured Products are excluded from the scope.

[2] Issuers who are not specified prescribed securities under the USM (as defined below) regime, which are in general issuers incorporated outside Hong Kong, the Chinese Mainland, Bermuda, or Cayman Islands, would not be expected to observe the board lot value ceiling guidance until they elect to undertake the transition to USM regime earlier.

[3] Issuers who are not specified prescribed securities under the USM regime will also be required to comply with all components of the new board lot framework if they undertake the relevant corporate actions.

- The Exchange will conduct regular review on the average daily closing board lot value for Applicable Securities with board lot units exceeding 100 shares over a six-month assessment period, and notify those issuers whose average daily closing board lot value exceeds HK$50,000 to reduce their board lot value within six months following the end of the relevant assessment period.

- Phase 2 (effective upon the launch of Uncertificated Securities Market ("**USM**") regime on 16 November 2026)

  - All issuers shall adopt one of the standardised board lot units set out in the paragraph (c) within six months of completing the transition to USM[4] regime; and
  - The issuers which have completed the transition to USM regime are typically no longer required to conduct parallel trading for board lot unit changes. However, parallel trading arrangements will continue be required for other corporate actions (e.g., share consolidations and sub-divisions) where the processes are more complex and parallel trading arrangements are important safeguard to ensure orderly trading and market integrity.

(e) Enhanced Odd Lot Trading Mechanism

- The Exchange is exploring to introduce a complementary auto-match odd lot trading mechanism towards the market close; and
- Details of the enhanced mechanism, with consideration to launch it earliest by Q3 2027, subject to regulatory approval and market readiness, will be announced.

The updated Guide on Trading Arrangements for Selected Types of Corporate Actions to reflect the new board lot framework and associated changes is now available.

To view the full details of HKEX's news, please click HERE.

To view details of the updated Guide on Trading Arrangements for Selected Types of Corporate Actions: please click HERE.

[4] The scope of USM currently includes issuers incorporated in Hong Kong, the Chinese Mainland, Bermuda, or Cayman Islands. For issuers incorporated in other jurisdictions, they will only be required to adopt one of the standardised board lot units within six months of completing the USM transition process.