Shanghai-Hong Kong Stock Connect
FACT SHEET

What is it?
Shanghai-Hong Kong Stock Connect is a program that establishes access between the two markets. It will allow international investors to trade in a number of shares listed in Shanghai without having to apply for individual licenses and quotas, and for domestic Chinese investors to trade in some Hong Kong stocks.

Who can trade?
Chinese institutions, as well as retail investors with a minimum of RMB 500,000 (US$80,769) in their securities accounts, can buy stocks on the Hong Kong exchange. There are no restrictions on the type of international investor that can access the Shanghai market.

Can investors buy all listed securities on Hong Kong and Shanghai exchanges?
No. At the program's launch, it will cover 266 stocks listed in Hong Kong, and 568 listed in Shanghai.

How big is the program?
At launch, there will be a daily limit of RMB 10.5 billion (US$1.7 billion) for net inflows into Hong Kong, and a daily market quota of RMB 13 billion (US$2.1 billion) for net inflows into China.

Why is it significant?
International investors have had limited access to China's domestic stock market using an individual quota system. At the same time, retail investors in China have also not had direct access to stocks listed overseas. Stock Connect will allow more international investors including individuals and hedge funds to trade Shanghai-listed shares directly for the first time, while also allowing retail investors in China to trade Hong Kong-listed stocks directly.

Will this replace the existing quota systems used by international investors to access the China market?
Stock Connect will complement existing quota systems, which allow international investors to buy more financial products including all listed shares in Shanghai and Shenzhen, bonds and IPOs.

Will other products and exchanges be included in the program in the future?
Regulators have said the program could potentially be extended to include other financial products and the Shenzhen Stock Exchange.

What does this mean for China's financial market development?
By giving foreign investors more access to the market, it paves the way for domestic Chinese stocks to be included in global indices. This will in turn increase foreign ownership of Chinese companies. By making more financial products denominated in the Chinese currency (Renminbi) available to international investors, it also signals further internationalization of the currency. These represent continued liberalization of China's financial market.

For more information, please visit gs.com/StockConnect