



JAPAN SECURITIES CO., LTD.

KEY CHANGES IN TRADING REGULATIONS KRX SYSTEM



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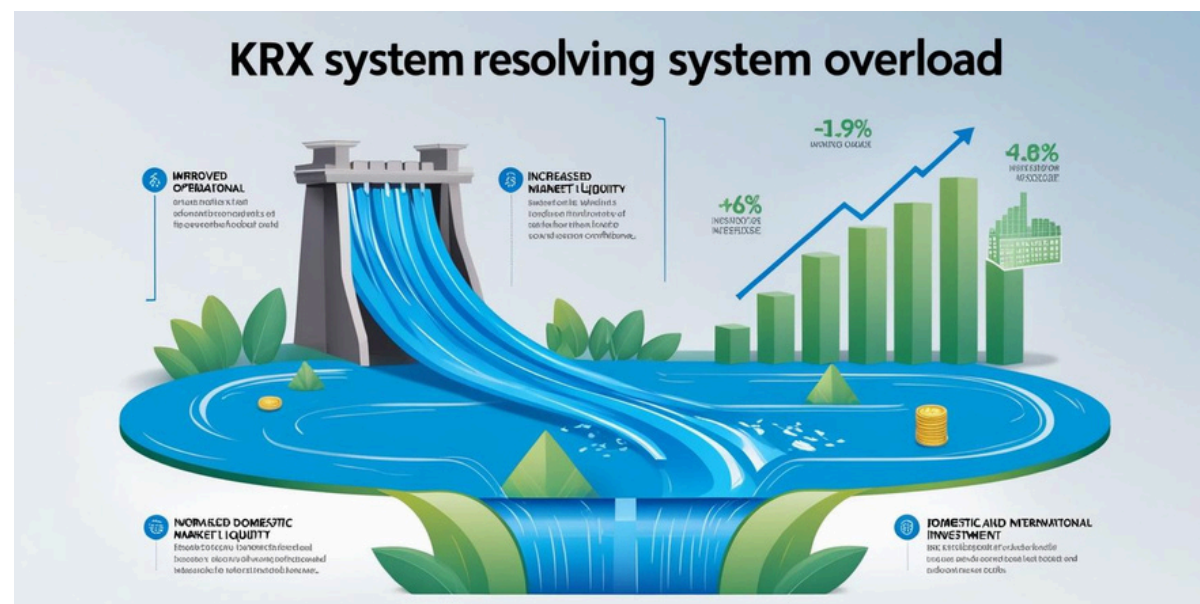
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WHAT IS THE KRX SYSTEM?

KRX is an advanced information technology system designed to comprehensively manage and operate all trading activities on the Vietnamese stock market. The KRX system project was initiated through a partnership agreement signed in 2012 between the Ho Chi Minh Stock Exchange (HOSE) and the Korea Exchange (KRX), aimed at transferring technology and modernizing the technical infrastructure of the stock market.



The KRX system is expected to completely resolve the issue of system overload amidst the growing number of investors and increasing trading volumes. The successful implementation of the system will not only improve operational efficiency and enhance liquidity in the market but also help build trust and attract both domestic and international investment capital.

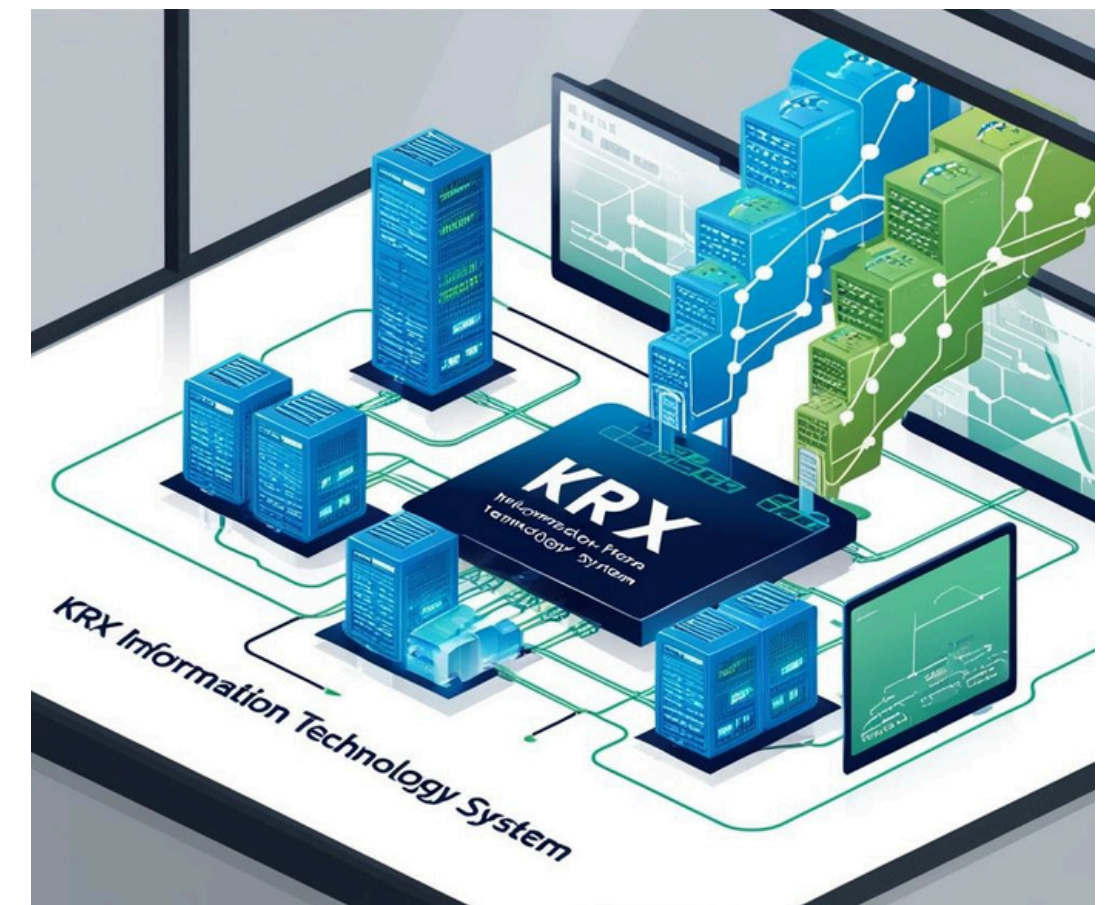


WHAT IS THE KRX SYSTEM?

More importantly, the operation of KRX will lay the foundation for the introduction of new trading products and services in line with international standards, such as:

- Day trading (T+0),
- Shortening settlement cycles,
- Options trading,
- Implementing the Central Counterparty (CCP) clearing mechanism to manage payment risks in case of unexecuted trades.

This is considered a significant step forward, not only promoting the sustainable development of the Vietnamese stock market but also serving as a key condition in the process of upgrading the market from frontier to emerging market status according to international ranking organizations such as FTSE Russell and MSCI.



Negotiation Transaction

CURRENT SYSTEM

- The selling party enters the order first, and the buying party confirms or rejects the order.
- Unmatched negotiation orders are valid until the end of the trading day at 15:00.
- Negotiated transactions are amendable.

KRX

- **Both the buying and selling parties** can enter the order first; the other party then confirms or rejects the order.
- Unmatched negotiation orders for HNX and HSX expire at 14:45. Investors wishing to maintain the order until 15:00 must resubmit the request.
- Amendments/cancellations of matched negotiated transactions **are not permitted.**



Trading time of Odd Lot

CURRENT SYSTEM

Not tradable during the opening (ATO) and closing (ATC) periodic sessions.

KRX

Tradable during the ATO and ATC sessions. Orders must be Limit Orders (LO).

CURRENT SYSTEM

Transactions are permitted only during the afternoon session.

KRX

Trading is allowed **throughout the day**, with multiple Periodic Call Auctions (every 15 minutes).



ATO/ATC Orders

CURRENT SYSTEM

During order matching, ATO/ATC orders are prioritized over limit orders.

Displayed on the trading board as “ATO” and “ATC”.

KRX

During order matching, ATO/ATC orders **are not prioritized** over previously entered limit orders.

Displayed on the trading board **at a specific price**, similar to limit orders.



Display of the 3 Best Sell and Buy Prices during ATO/ATC session

CURRENT SYSTEM

Display 3 best sell and buy price of each stock along with volume corresponding to those prices.

KRX

Display the corresponding volumes at the 3 **best sell/buy prices remaining after the projected matching** for each security.

	CURRENT SYSTEM	KRX
<p>Order Cancellation/Amendment during Continuous Matching Session HSX</p>	<ul style="list-style-type: none"> - Order amendment is carried out by canceling the incorrect order and re-entering the correct one. - The priority of the order is determined based on the time the correct order is entered into the Stock Exchange's system. 	<ul style="list-style-type: none"> - Price or volume amendments are permitted for unexecuted HSX limit orders or the remaining portion of partially executed orders. - The order priority will change when amendments are made as follows: <ul style="list-style-type: none"> • Amending the price or increasing the volume changes the order priority. • Decreasing the volume does not change the order priority.
<p>Order Cancellation/Amendment during Continuous Matching Session HNX, UPCOM</p>	<p>It is possible to amend both the order price and the order quantity at the same time</p>	<p>It is not allowed to amend both the order price and the order quantity at the same time.</p>



CURRENT SYSTEM

KRX

Market Orders

- HSX uses MP orders.

- HSX uses **MTL** orders.

Post-Closing Session of HNX (14:45 - 15:00)

- 15 minutes of continuous order matching.

- The first **10 minutes** are for periodic order matching, and the following **5 minutes** are for continuous order matching.



CURRENT SYSTEM

FOREIGN INVESTORS TRADING

The current room is reduced after a buy order is matched

FLOOR PRICE OF COVERED WARRANTS

The lowest floor price displayed on the trading board is 10 VND.

KRX

The current room is **reduced immediately upon entering a buy order.**

If an order is canceled/decreased in volume, the current room is increased by the corresponding canceled/decreased volume.

- The **lowest floor price** displayed on the trading board is **0 VND**.
- The **minimum allowable price** will be the tick size: **1 VND** for negotiation transactions and **10 VND** for regular transactions.



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