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KRX SYSTEM HANDBOOK AND CHANGES IN TRADING REGULATIONS

Appendix

KRX System: Key Changes Summary

Change	Product	New KRX system	Investor Impact
ATO/ ATC session	Equity & Derivatives	ATO/ATC orders are no longer prioritized over ceiling/floor LOs. ATO/ATC orders are displayed as indicative limit prices. Top 3 bid/ask levels are displayed after deducting expected matched volume.	Adjust order placement strategies. Monitor indicative prices during ATO/ATC. Be prepared for execution risks without old price priority.
Amendment/ Cancellation	Equity & Derivatives	Only allowed to amend either **price** or **volume** per action (not both).	Manage amendments to avoid losing order time priority.
MP Order replaced by MTL Order (HOSE)	Equity	MP orders are discontinued. MTL (Market-to-Limit) orders replace MP automatically converting unmatched parts to LO at the nearest price.	Replace MP orders with MTL for execution (HOSE).
Foreign Ownership Current Room	Equity	Room decreases immediately at **order entry.** Orders exceeding available room are rejected when entered (not at matching).	Monitor real-time foreign room availability at **order input** stage.
Derivatives Contract Code	Derivatives	New ISIN-like format with embedded asset ID and expiry year/month (e.g., 41I1F7000).	Be familiar with the new detailed contract codes for seamless futures trading and settlement.
VSDC Margin Surveillance Timing	Derivatives	Margin is monitored based on **T+1 morning** positions (post-trade IM deposit).	Ensure full margin sufficiency by 9:00am T+1 to avoid forced liquidation by VSDC or brokers. Do not need to deposit IM before making derivative trades.

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1. Introduction to the KRX System

What is the KRX system?

The KRX system is a modern information technology platform designed to manage and operate the entire trading infrastructure of Vietnam's stock market. This project has been implemented based on a cooperation agreement between the Ho Chi Minh Stock Exchange (HoSE) and the Korea Exchange (KRX) since 2012, with the objective of comprehensively upgrading the market's technological and technical infrastructure.

The KRX system will provide an integrated and unified technology platform for the entire securities market, including two data centers — a primary center and a disaster recovery center — operated with technical support from Korea.

Expectations for the KRX System

The deployment of the KRX system is expected to create a major breakthrough in the functioning of Vietnam's securities market. With advanced Korean technology, the system will pave the way for the introduction of new products and services such as intraday trading, shortened settlement cycles, options trading, and other market enhancements.

In addition, KRX will address the issue of system overload amid the growing number of investors and increasing trading volumes. This is anticipated not only to enhance market liquidity but also to attract additional capital inflows from both domestic and international investors.

Notably, the completion and operation of the KRX system is considered a **key development to improve Vietnam's market infrastructure**.

The coordinated efforts among the Ministry of Finance, the State Securities Commission of Vietnam (SSC), and Vietcap are expected to play a pivotal role in realizing this strategic milestone.

2. Changes in Trading Regulations

2.1. Trading Rules – Equity Market

#1 Order Amendment Regulation

HNX

Allows order modifications for both **Price and Volume** simultaneously.

HOSE

Does **not** allow direct order amendments (*Some brokers, including Vietcap, offer support via cancel-and-replace method to adjust orders).

Unified Rule – HNX & HOSE

Price **or** Volume can be amended per modification (not both at once)
Decreasing volume does not affect time priority.
Increasing volume or modifying price resets order priority.

#2 Order Type Regulation

Determining Order Price for ATO/ATC during Periodic Matching

MP Orders (Market Price), HOSE

MP orders will be **replaced by MTL (Market-to-Limit)** orders.

If partially matched, the remaining quantity is converted into a limit order (LO) with a price equal to the nearest matched price ± 1 tick.
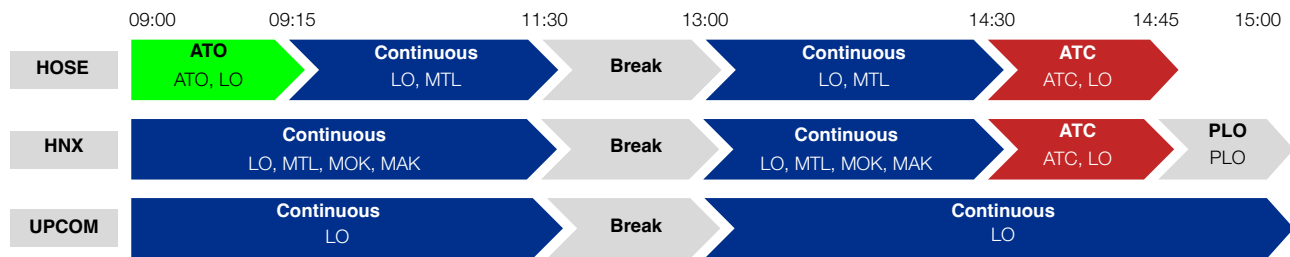
ATO/ATC Orders

Previously had priority over existing LO orders.

Under new rules, ATO/ATC orders **do not have matching priority** over previously put LOs

Matching now strictly follows the **time - priority principle**.

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Trading Session Timings & Order Types

	09:00	09:15		11:30	13:00		14:30	14:45	15:00

HOSE — ATO (ATO, LO) → Continuous (LO, MTL) → Break → Continuous (LO, MTL) → ATC (ATC, LO)

HNX — Continuous (LO, MTL, MOK, MAK) → Break → Continuous (LO, MTL, MOK, MAK) → ATC (ATC, LO) → PLO (PLO)

UPCOM — Continuous (LO) → Break → Continuous (LO)

* Put-through order (HOSE, HNX, UPCOM) is available from 09.00 – 15.00 Vietnam Time

Clarifying Order Priority: ATO/ATC vs Limit Orders

ATO/ATC orders **do not take precedence** over limit orders (LOs) that were entered earlier into the system —
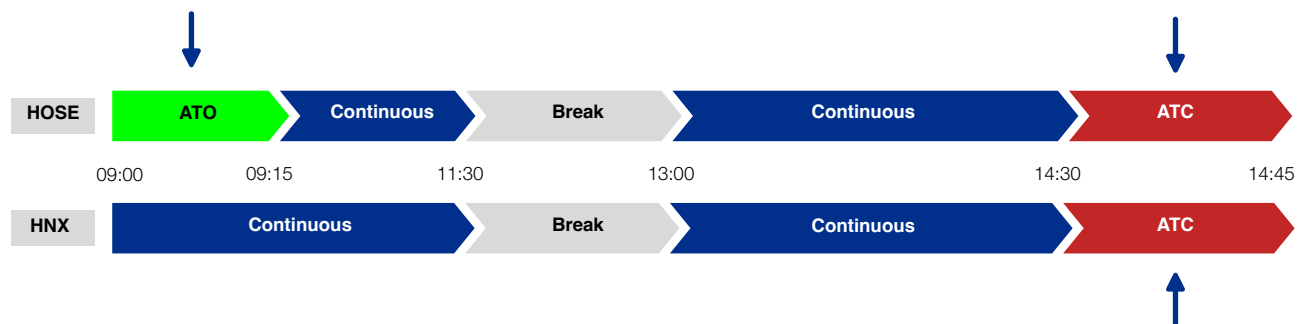especially in cases where:
• **LO buy orders at ceiling price** are entered before ATO/ATC buy orders
• **LO sell orders at floor price** are entered before ATO/ATC sell orders

Key Takeaway:
• Although the ATO order (Order #4) is large, it **does not override** previously entered LO buy orders at the ceiling price (Orders #2 and #3).
• Matching priority follows **price-time precedence** — hence, **LO orders at the same price entered earlier are matched before ATO orders**.

#3 Odd-Lot Matching Regulations

Odd-lot orders are now executable during both auction (ATO/ATC) and continuous trading sessions.

HOSE — ATO → Continuous → Break → Continuous → ATC

	09:00	09:15	11:30	13:00	14:30	14:45

HNX — Continuous → Break → Continuous → ATC

Exchange	HOSE			HNX	
Session	ATO	Continuous	ATC	Continuous	ATC
Time Slot *(Vietnam Time)*	09:00 - 09:15	09:15 - 11:30 13:00 - 14:30	14:30 – 14:45	09:00 - 11:30 13:00 - 14:30	14:30 – 14:45
Odd-Lot	LO	LO	LO	LO	LO
Allowed Amendable	Not allowed	Allowed	Not allowed	Allowed	Allowed
Restrictions	Odd-lot trading is **not allowed** on: • First trading day of newly listed stocks, ETFs, or covered warrants • Re-listed stocks within 25 sessions of a trading halt				

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#4 Trading Regulations for Restricted Securities

HOSE
(Ho Chi Minh Stock Exchange)

Restricted securities are only allowed to be traded via **order matching and put through trade during the afternoon session (13:00 – 15:00)**.

Trading Mechanism

1. Allowed trading windows:
- **ATO Session (09:00 – 09:15)**
- **15 Periodic Call Auction (PCA)** rounds from **09:15 – 14:30**, each lasting 15 minutes
- **ATC Session (14:30 – 14:45)**

2. Only **limit orders (LO)** are permitted

3. Orders may only be modified or cancelled in the **first 10 minutes** of each PCA round. **No modifications or cancellations are allowed** in the final 5 minutes of each PCA round

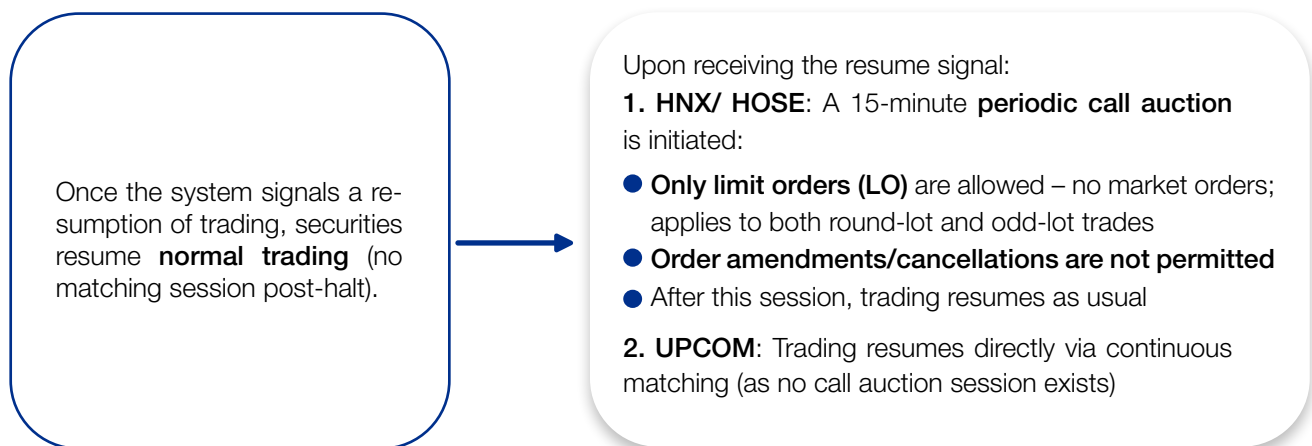**HNX (Hanoi Stock Exchange)**

Restricted securities are **only allowed to trade on Fridays**.

Trading Schedule for Restricted Securities (HOSE) & Order Cancellation Rules

Time	Order Types Allowed	Order modification/ cancellation?
ATO: 09:00 – 09:15	ATO, LO	Not allowed
PCA 01: 09:15 - 09:30	LO	09:15 - 09:25: Allowed | 09:25 - 09:30: Not allowed
PCA 02: 09:30 - 09:45	LO	09:30 - 09:40: Allowed | 09:40 - 09:45: Not allowed
PCA 03: 09:45 - 10:00	LO	09:45 - 09:50: Allowed | 09:50 - 10:00: Not allowed
PCA 04: 10:00 - 10:15	LO	10:00 - 10:10: Allowed | 10:10 - 10:15: Not allowed
PCA 05: 10:15 - 10:30	LO	10:15 - 10:25: Allowed | 10:25 - 10:30: Not allowed
PCA 06: 10:30 - 10:45	LO	10:30 - 10:40: Allowed | 10:40 - 10:45: Not allowed
PCA 07: 10:45 - 11:00	LO	10:45 - 10:55: Allowed | 10:55 - 11:00: Not allowed
PCA 08: 11:00 - 11:15	LO	11:00 - 11:10: Allowed | 11:10 - 11:15: Not allowed
PCA 09: 11:15 - 11:30	LO	11:15 - 11:25: Allowed | 11:25 - 11:30: Not allowed
PCA 10: 13:00 - 13:15	LO	13:00 - 13:10: Allowed | 13:10 - 13:15: Not allowed
PCA 11: 13:15 - 13:30	LO	13:15 - 13:25: Allowed | 13:25 - 13:30: Not allowed
PCA 12: 13:45 - 14:00	LO	13:30 - 13:40: Allowed | 13:40 - 13:45: Not allowed
PCA 13: 14:00 - 14:15	LO	13:45 - 13:55: Allowed | 13:55 - 14:00: Not allowed
PCA 14: 14:15 - 14:30	LO	14:00 - 14:10: Allowed | 14:10 - 14:15: Not allowed
PCA 15: 14:00 - 14:15	LO	14:15 - 14:25: Allowed | 14:25 - 14:30: Not allowed
ATC: 14:30 – 14:45	ATC, LO	Not allowed

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#5 Emergency Trading Halt Rules (Halt)

Once the system signals a resumption of trading, securities resume **normal trading** (no matching session post-halt).

Upon receiving the resume signal:

1. HNX/ HOSE: A 15-minute **periodic call auction** is initiated:

● **Only limit orders (LO)** are allowed – no market orders; applies to both round-lot and odd-lot trades
● **Order amendments/cancellations are not permitted**
● After this session, trading resumes as usual

2. UPCOM: Trading resumes directly via continuous matching (as no call auction session exists)

#6 Put through Trade Rules

Placing Orders

Sell side initiates the put through order
Buy side confirms the transaction

Either side can initiate;
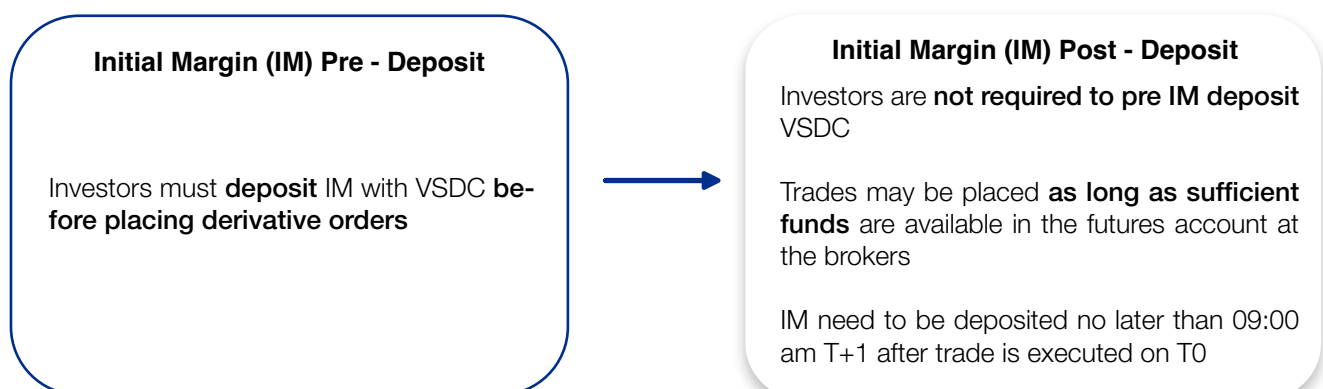the counterparty may accept or reject

Amendment/Cancellation

Orders are modified via cancel-and-replace, subject to counterparty and exchange approval

Executed put through trades cannot be amended or canceled.

Unexecuted trades may still be canceled by the initiating party.

2.2 Trading Rules – Derivatives

#7 Derivatives Initial Margin (IM) Regulation

Initial Margin (IM) Pre - Deposit

Investors must **deposit** IM with VSDC **before placing derivative orders**

Initial Margin (IM) Post - Deposit

Investors are **not required to pre IM deposit VSDC**

Trades may be placed **as long as sufficient funds** are available in the futures account at the brokers

IM need to be deposited no later than 09:00 am T+1 after trade is executed on T0

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#8 Derivatives Order Rules

ATO/ATC Orders

ATO/ATC orders **take priority** over LO (limit orders) **only during order allocation**

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However, **they do not take precedence** over advanced LO orders that were already in the system before the matching process begins.

MTL Orders (Market-to-Limit)

If not fully executed, the remaining quantity is automatically converted into a **LO** at the **last executed price**.

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If partially filled:
The remaining quantity becomes a LO order with:
• **Buy side**: best bid + 1 tick
• **Sell side**: best ask - 1 tick

#9 Derivatives Contract Code Rules

Old Format (9 Characters – Less Informative)
· Readable but contains **limited information**.
· Does **not support** complex derivative products like Options or Spread

Example: VN30F2507 – VN30 Index Futures for July 2025

→

New Format (9 Characters – More Informative)
· Displays **richer product information.**
· Supports **advanced derivatives** such as Options, Single Stock Futures, and Spreads.

Example: 41I1F7000 – VN30 Index Futures for July 2025

Additional Rules

1. For Products Listed Before System Launch:

Existing codes remain unchanged.

2. For Products Listed After System Launch:

New codes will follow updated structure.

Applies to products such as Options, Single Stock Futures, and Spread Calendar.

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Structure of Derivatives Contract Code (ISIN Format)

● **Example: 4111F7000 – VN30 Futures Contract for July 2025**

Position	Information	Code Convention
1 (1 char)	Type of security	4 = Derivatives
2 (1 char)	Derivatives group	1 = Futures
3 (2 char)	Underlying asset	I1 = VN30 I2 = VN100 B5 = GB05 BA = GB10
5 (1 char)	Year of expiration	[2010] 0 [2016] 6 [2022] C [2028] J [2034] Q [2011] 1 [2017] 7 [2023] D [2029] K [2035] R [2012] 2 [2018] 8 [2024] E [2030] L [2036] S [2013] 3 [2019] 9 [2025] F [2031] M [2037] T [2014] 4 [2020] A [2026] G [2032] N [2038] V [2015] 5 [2021] B [2027] H [2033] P [2039] W
6 (1 char)	Month of expiration	[01] 1 [02] 2 [03] 3 [04] 4 [05] 5 [06] 6 [07] 7 [08] 8 [09] 9 [10] A [11] B [12] C
7 (3 char)	Futures security identifier	000

#10 Position Management Fee for Derivatives Contracts

Position Management Fee by VSDC

Fee is based on overnight open positions
Rate: 2,550 VND / contract / account / day

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Rate: 2,550 VND/ open contracts/ accounts/ day
This is consistent with HNX's current clearing fee calculation for matched positions.

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2.3. Priceboard Rules

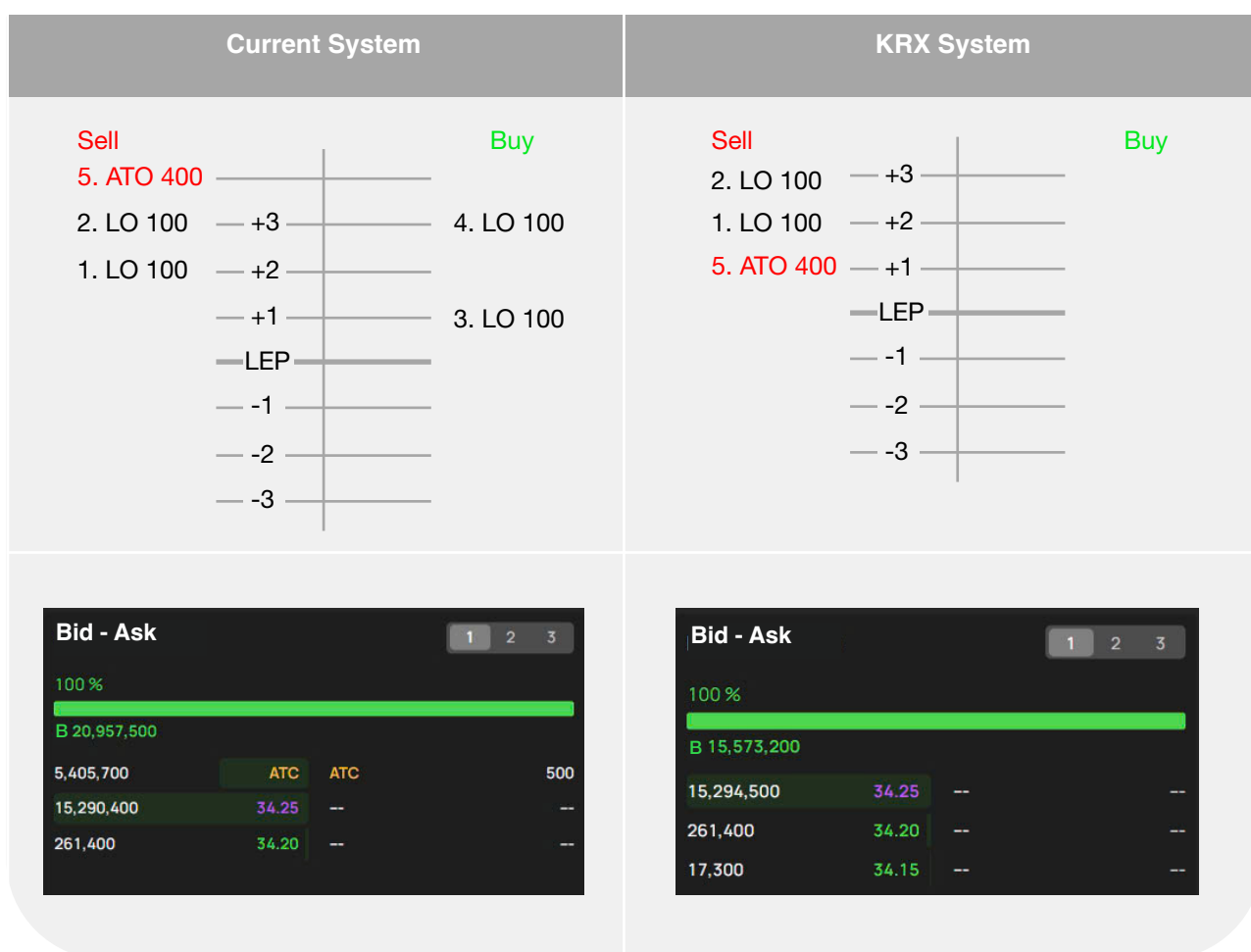### #11 Displaying Best Bid/Ask Prices During ATO/ATC Matching

Current System:

- Displays **top 3 bid and ask prices** along with **total bid/ask volume** at each level.

- ATO/ATC **orders are shown** as "ATO" or "ATC" on the price board.

Under KRX:

- Still displays top 3 bid/ask prices, but **volume shown is expected unmatched quantity** at each price level.

- **ATO/ATC orders are converted to indicative limit prices** and shown as if they were LOs.

Current System	KRX System

Current System

Sell			Buy
5. ATO 400			
2. LO 100	+3		4. LO 100
1. LO 100	+2		
	+1		3. LO 100
	LEP		
	-1		
	-2		
	-3		

KRX System

Sell		Buy
2. LO 100	+3	
1. LO 100	+2	
5. ATO 400	+1	
	LEP	
	-1	
	-2	
	-3	

Bid - Ask | 1 | 2 | 3 |

100 %

B 20,957,500

5,405,700	ATC	ATC	500
15,290,400	34.25	--	--
261,400	34.20	--	--

Bid - Ask | 1 | 2 | 3 |

100 %

B 15,573,200

15,294,500	34.25	--	--
261,400	34.20	--	--
17,300	34.15	--	--

Key Benefit Under KRX:
The system provides **more transparency and precise pricing** by converting ATO/ATC orders into **indicative limit prices** during the auctions — giving market participants better visibility into expected execution levels.
If you'd like this turned into a client explainer or training module!

#12 How Foreign Room is Displayed

Matching Transactions (Order Book Trades)

Current System:

- Foreign room (Current Room) decreases immediately when the foreign buy order is **matched**.

- Foreign room increases after settlement of a foreign sell order.

- A foreign buy order or part of it cannot be executed if it exceeds the available foreign room. eign buy orders exceeding the foreign room will be **rejected** by the system.

Under KRX:

- Foreign room decreases immediately when the foreign buy order is **entered into the system**.

- Foreign room increases after settlement of a foreign sell order.

- Foreign buy orders will **not be accepted** into the system if the order quantity exceeds available foreign room.

- When foreign investors amend a buy order:
  - Decrease in quantity ➡ Room increases immediately after the amended order is entered.
  - Increase in quantity ➡ Room decreases immediately after the amended order is entered.

- When foreign investors cancel a buy order: Room increases by the canceled quantity.

Put through Transactions

Current System:

- Foreign room decreases immediately after a put through trade between a foreign buyer and a domestic seller is **executed**.

- Foreign room increases immediately after settlement of a put through trade where a foreign investor sells to a domestic buyer.

- Foreign room does not change if the put through trade is executed between two foreign investors.

Under KRX:

- Foreign room decreases immediately when a put through buy order from a foreign investor is **entered into the system**.

- Foreign room increases immediately after settlement of a put through trade where a foreign investor sells to a domestic buyer.

- Foreign room does not change if the put through trade is between two foreign investors.

- Foreign room **increases immediately** if the domestic seller rejects the put through buy order or the foreign buyer cancels the put through order.

This KRX update enhances **transparency and real-time control** over foreign trading eligibility by synchronizing Current Room updates with **order entry**, not just order execution.

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