

Submitted via Qualtrics

Company / Entity View

Market Represent(s): Securities & Derivatives Markets

Question 1

Do you have any comments or concerns on the proposed arrangements for the Hong Kong securities market?

Yes

If the answer is "Yes", please specify your comments or concern:

In relation to active quotes ("AQ") and quote requests ("QR") obligations for Liquidity Providers ("LP") of listed structured products, whilst our firm as a LP will continue to exert best efforts to fulfill such obligations, there might still be unforeseeable impacts caused by adverse weather (e.g. electricity shortage), causing our staff (who is working from home) difficulties to connect to servers. Since set-up from home is different from office, network latency issues might also be observed. It will be our suggestion to loosen the AQ and QR requirements on SWT days as follow:

1. For AQ, to provide for at least 80% (instead of 90%) of the time of SWT days and that each pause will not exceed 20 minutes (instead of 10 minutes).
2. For QR, to increase maximum response time from 10 minutes to 20 minutes. Besides, allow LP to be not required to respond to QR during the first 10 minutes instead of the first 5 minutes.

In relation to corporate actions –

- a. For appendix II, section "Stock Dividend / Bonus issue", HKEX currently explained the arrangement when dividend / bonus issue Payment Date falls on SWT day, may we also understand the arrangement when 1) Effective Date or 2) Record Date is a SWT day?
- b. For assimilation, delisting and spin-off events, please may we understand the arrangement when 1) Effective Date, 2) Record Date or 3) Payment Date falls on SWT Day?
- c. For spin-off events, in relation to the spinoff entity's price payout, will SWT has any impact on the final value of the adjustment factor?

d. In relation to paragraph 41.1.1, given ex-entitlement date will not change under SWT, will this impact Record Date for Corporate Action event (as the consultation only addresses the Last Registration Date, which would only be relevant if there were to be book closure)?

With respect to the definition of “Business Day” in paragraph 83 and 84 of the Consultation Paper, upon the implementation of SWT, a SWT Day would be considered as a business day in Companies Ordinance (Cap. 622). Whereas for Securities and Futures Ordinance, the preliminary view is that their current definition of excluding SWT will likely be kept. Currently, Stamp duty for Over-the-Counter transactions require to be paid in person by T+2, may we clarify which “Business Day” definition will Inland Revenue Department follow, after the implementation of SWT?

Question 2

Do you have any comments or concerns on the proposed arrangements for Northbound Trading under Stock Connect?

No

If the answer is "Yes", please specify your comments or concern:

N/A

Question 3

Do you have any comments or concerns on the proposed arrangements for Hong Kong derivatives market?

No

If the answer is "Yes", please specify your comments or concern:

N/A

Question 4

Do you have any comments or concerns on the proposed arrangements for new

listings and new products?

Yes

If the answer is "Yes", please specify your comments or concern:

Regarding paragraphs 63-66 of the Consultation Paper ("Paper"), HKEX suggested that equity securities listing activities should proceed as usual. However, as per paragraph 100 of the Paper, physical outlets of Share Registrars and the CCASS Depository ("CCASS") will not be available during severe weather. We are not sure what will be the IPO arrangement if the listing day falls on a SWT day, as listing of new shares involves the creation of a physical certificate which is handled directly between Share Registrars and CCASS. As a result, the new shares cannot be created, and therefore distributed to the investors on the placing tranche on listing day, which forms the majority of the share distribution. This will impact the full completion of the IPO on listing day.

Question 5a

Do you have any comments or concerns on the proposed money transfer arrangements in relation to Cheque Clearing?

No

If the answer is "Yes", please specify your comments or concern:

N/A

Question 5b

Do you have any comments or concerns on the proposed money transfer arrangements in relation to Banking Services?

No

If the answer is "Yes", please specify your comments or concern:

N/A

Question 6

Do you agree with the proposed arrangements for listing applicants and listed issuers as set out in paragraphs 90 – 91?

Yes

If the answer is "No", please specify your comments or concern:

But please also consider the situation detailed in Q4

Question 7

Do you agree with the proposed arrangements for listing applicants and listed issuers as set out in paragraphs 92 – 94?

Yes

If the answer is "No", please specify your comments or concern:

But please also consider the situation detailed in Q4.

Question 8

Do you envisage there being any material practical difficulty in complying with any particular Listing Rule requirements?

No

If the answer is "Yes", please specify your comments or concern:

But please also consider the situation detailed in Q4.

Question 9

Do you agree that consequential amendments to the Listing Rules should be made?

Yes

If the answer is "No", please specify your comments or concern:

But please also consider the situation detailed in Q4.

Question 10

Under the proposed model, do you foresee any insurmountable difficulties for implementing SWT?

Yes

If the answer is "Yes", please specify your comments or concern:

We do not foresee any insurmountable difficulties for now, but subject to final implementation details to be published by HKEX.

Question 11

Would there be adequate time to prepare for SWT to come effective in July 2024 under the proposed model?

No

If the answer is "No", please specify the reasonable length and reason(s):

Whether there would be adequate time to prepare for SWT will be subject to final implementation details to be published by HKEX.