

## **Guiding Note on LAQ Statement Submission Securities and Derivatives Market Data (for licensed end-users)**

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### **PURPOSE**

This Guiding Note aims to provide more details for those HKEX-IS licensed end-users (“EUs”) who have been requested by HKEX-IS to submit the Licensee Auditor Questionnaire (the “LAQ”) statement as stipulated in clause 6.7 of the Market Data End-User Licence Agreement (the “End-User Agreement”).

### **DETAILS**

Under clause 6.7 of the End-User Agreement, the EUs are obliged to submit a LAQ Statement as certified by their auditors, in such form and at such times as HKEX-IS may reasonably request.

In order to facilitate EUs in their business administration and to fulfil HKEX-IS’ requirements, we allow the following designated parties in certifying the LAQ statement for submission purpose.

- i. Qualified accountants of the EU who possess HKICPA, ACCA, ICAEW or equivalent qualification (*with full name and membership no. quoted*) and authorized officer of the EU (*with full name and position clearly mentioned*); or
- ii. External auditor appointed by the EU.

For EUs who opt for choice i above, prior consent must be sought from HKEX-IS whose assessment would be based on the progress of those rectification actions taken.

1. **Eligibility**: Only those EUs who have been identified with  $\geq 5\%$  or HK\$50,000 as major underpayment, whichever is higher and/or systematic irregularities in the latest inspection conducted by either HKEX-IS or its authorized agents are required to submit the LAQ statement.
2. **Requirements**: The requested EUs shall certify their compliance and rectification status on those areas as specified by HKEX-IS in the LAQ statement **for the 24 months’ period** since the last inspection coverage period-end.
3. **Submission Deadline**: EUs are required to submit the certified LAQ statement **within 60 days** after the certification period-end as mentioned in item# 2 above or on extension granted by HKEX-IS. HKEX-IS reserves the right to seek demonstration to its satisfaction that all those identified irregularities have been properly addressed and rectified.

Should EUs have any questions, comments or doubts on this Guiding Note, please contact the Data Client Audit team of Market Data Department via [DataClientAudit@hkex.com.hk](mailto:DataClientAudit@hkex.com.hk).