

Guiding Note on LAQ Statement Submission Securities and Derivatives Market Data (for real-time data vendors)

PURPOSE

This Guiding Note aims to provide more details for those HKEX-IS licensed real-time information vendors (“IVs”) who have been requested by HKEX-IS to submit the Licensee Auditor Questionnaire (the “LAQ”) statement as stipulated in clause 5.8 of the Market Data Vendor Licence Agreement (the “Vendor Agreement”).

DETAILS

Under clause 5.8 of the Vendor Agreement, the IVs 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 IVs 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 IV who possess HKICPA, ACCA, ICAEW or equivalent qualification (*with full name and membership no. quoted*) and authorized officer of the IV (*with full name and position clearly mentioned*); or
- ii. External auditor appointed by the IV.

For IVs 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 IVs who have been identified with $\geq 5\%$ material underpayment 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 IVs 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**: IVs 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 IVs 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.