

Submitted via Qualtrics

Macquarie Capital Limited

Company / Organisation view

Consultation Question 1(a):

Do you support the proposed arrangements on trade amendment under the T+1 settlement cycle across the Cash Market trade lifecycle?

Please give reasons for your views.

Yes, comments (optional) as follows

We would like to seek clarification on the following:

1. Confirmation of the applicable cutoff time for the reporting of late crosses.
2. Timing of availability of the CTF trade file.

Consultation Question 1(b):

Do you support the proposed arrangements on post trade under the T+1 settlement cycle across the Cash Market trade lifecycle?

Please give reasons for your views.

Yes, comments (optional) as follows

We would like to propose:

1. Matching window to be extended to 10pm on trade date (T) to cater to instructions submitted after 9:30pm.
2. Introduce real time matching status prior to T+1 settlement cycle.
3. Introduce auto partial settlement by CCASS.

We would also like to seek clarification on whether submission of settlement instructions on T+1 is permitted.

Consultation Question 1(c):

Do you support the proposed arrangements on risk management under the T+1 settlement cycle across the Cash Market trade lifecycle?

Please give reasons for your views.

Yes, comments (optional) as follows

Consultation Question 1(d):

Do you support the proposed arrangements on other processes (including reporting, corporate actions, stock conversion arrangement and stamp duty arrangement) under the T+1 settlement cycle across the Cash Market trade lifecycle?

Please give reasons for your views.

Yes, comments (optional) as follows

Two questions regarding Stamp Duty arrangements:

1. Will there be potential delay in cutoff time for submission of stamp duty daily return?

2. Will there be a tighter time frame for reconciliation and processing of file submission?

Consultation Question 2:

Do you have any comments on the assessment of the implications for Exchange Traded Products (ETPs) and Stock Options under the proposed T+1 settlement cycle? In particular, please comment on:

- Guiding principles for the ETP primary market;
- Buy-in considerations for ETPs; and
- Stock options (including exercise and assignment).

Please give reasons for your views.

No comment

Consultation Question 3:

Do you have any comments that consequential amendments should be made to the Listing Rules to reflect the arrangements proposed under the T+1 operating model?

We would like to request that HKEx provide visibility of the relevant amendments to the Listing Rules at the earliest opportunity, preferably during the industry engagement phase.

This would enable market participants to adequately assess the implications and ensure sufficient time to develop, adopt, and implement the necessary operational and compliance procedures.

Consultation Question 4:

In assessing your circumstances for a T+1 transition, are there any other key topics, perspectives or types of market participants which you believe are relevant to highlight, that have not been covered in Exhibit 1 and paragraphs 110-113?

Please share your views.

No, comments (optional) as follows

We agree that a comprehensive end-to-end assessment is necessary to support any initiative to shorten the settlement lifecycle, while ensuring that appropriate controls are maintained to mitigate operational risk. This would include:

1. Proactive engagement with clients to expedite trade allocation and matching processes, with particular consideration for clients operating across different time zones.
2. Close collaboration with clearing partners to enhance and streamline settlement processes.
3. Increased automation of internal processes, including the implementation of straight-through processing (STP) where feasible, to reduce manual intervention and associated risk.
4. Enhancement of the SSI management framework to improve accuracy and timeliness.
5. Implementation of robust exception monitoring and escalation processes to ensure timely identification and resolution of settlement issues.

Consultation Question 5:

Do you consider the timeframe to be sufficient for you to prepare for T+1 to become effective in Q4 2027, given the advance visibility and lead time provided? Do you have any comments on the discussion and implementation approach?

Please share your views on the proposed approach and timeline.

Yes, comments (optional) as follows

While we are committed to working towards the proposed effective date of Q4 2027, we consider it important that the following factors are carefully taken into account:

1. The proposed timeline may coincide with the implementation of a T+1 settlement cycle in European markets. This overlap could give rise to resourcing constraints, particularly in relation to operational capacity and technology delivery, as firms manage concurrent large-scale change initiatives across jurisdictions.

2. To support market participants in adapting to a compressed settlement cycle, the enhancement initiatives outlined in Section 5.7 of the consultation paper should be treated as critical pre-requisites for T+1 implementation, rather than optional measures. Ensuring these foundational elements are in place will be key to maintaining market stability and managing operational risk effectively.