

Submitted via Qualtrics

(Anonymous)

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

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

To ensure the smooth implementation of T+1, the market has a strong preference for real-time matching functionality. Accordingly, the Orion Cash Platform (OCP) should be fully tested, delivered, and operationally ready prior to the launch of T+1 in the Hong Kong market. In this context, the current lack of clarity around OCP's functionality, implementation scope, and long-term roadmap remains a key concern for market participants.

In addition, a potential deficiency within CCASS would arise if one party is able to unilaterally un-match a previously matched settlement instruction without notification to, or mutual consent from, the counterparty. To address this issue, it is recommended that any un-matching of a matched settlement instruction be subject to mutual agreement between both parties.

Overseas public holidays are another key concern for international investors. As such, settlement difficulties may arise where the following settlement day coincides with a public holiday in an overseas market, which could in turn trigger pre-funding requirements. In light of this, we suggest that HKEX consider introducing a buy-in exemption where the client or relevant party is unable to submit settlement instructions on time due to an overseas public holiday.

We understand that ASIFMA has proposed FCS cutoff at T+0 5:30pm. Our alternative suggestion would be keeping 1st PCS at 5:00pm, remove the 2nd PCS batch and schedule the FCS at 7:00pm instead.

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.

No comment

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.

No comment

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.

Yes, comments (optional) as follows

Echoing with the feedback from the market participants, we believe that automation in the ETF / ETP process is needed.

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?

N/A

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 comment

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

No, don't think we are ready for the Q4 2027 timeline, instead we think that Q2 to Q3 2028 would be a more appropriate timeframe for the implementation of T+1, provided that the Orion Cash Platform (OCP) can be rolled out in full scale and operated smoothly prior to the T+1 rollout, for the following reasons.

First, multiple HKEX market initiatives are being progressed in parallel, including OCP and the Uncertificated Securities Market (USM). Notably, the delivery of a market-ready OCP is a key prerequisite for the successful implementation of T+1. In addition, enhancement initiatives from CMU

are expected to be implemented within a similar timeframe. Given the cumulative impact of these initiatives, coupled with limited industry resources and implementation capacity, we do not consider a 2027 T+1 launch to be feasible with sufficient preparation, testing, and market readiness.

Second, the fourth quarter is typically subject to technology freeze periods within number of organizations. As such, Q4 may not be the most conducive window for implementing T+1 or delivering any associated system or infrastructure enhancements, particularly where operational stability and risk mitigation are critical.