

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.

No comment

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

1. Consider adding an early settlement batch: HKEX's proposal to retain the existing four batch settlement runs under T+1 (10:30, 12:00, 14:00 and 15:45) provides strong continuity with current market practice and should reduce implementation complexity. However, would HKEX consider adding an early settlement batch (or batches) on T+1 morning, for example at 08:30 and/or 09:00, to complement the existing framework.

The rationale is that under T+1, the market faces a materially compressed timeline. Clearing visibility is brought forward, with the Final Clearing Statement proposed to be generated at 20:00 on T-day, and SI activity service hours are proposed to be extended to 22:00 for SI input and 21:30 for SI matching on T-day. In this context, a meaningful portion of CNS obligations and matched SIs may be settlement-ready before the first existing settlement batch at 10:30 on T+1. Introducing an earlier batch would allow these ready positions to settle sooner.

This handling could deliver practical benefits to end-investors and participants, including:

- Improved investors experience for brokers and custodians, particularly where clients expect faster availability of sale proceeds or earlier receipt of purchased securities under T+1.
- Earlier release of securities and cash for underlying clients, improving liquidity and enabling earlier reinvestment or onward delivery.
- Reduced intraday settlement exposure and operational pressure by smoothing settlement flows earlier in the day rather than concentrating activity into later batches.

2. Stock conversion arrangement for parallel trading: Please elaborate the shortened parallel trade schedule under T+1.

3. Stamp Duty arrangement under T+1: Suggest postponing the stamp duty submission to T+1 at 4:00 p.m. to allow participants to have sufficient time to handle the compressed settlement activities.

4. The schedule for contract notes is expected to remain unchanged.

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

Please elaborate on the changes resulting from a shorter period for Continuous Net Settlement (CNS) stock positions. Do the new arrangements require more margin funds under the new calculation?

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

1. Corporate actions: On corporate actions, we understand that ex-date mechanics will change; we request HKEX to provide detailed market guidance early.

2. Stamp duty arrangement: Electronic Stamp Duty payment to IRD via CCASS is a must when exchange trade stamp deadline moves together with settlement cycle. Existing market practice which involves bought and sought note as well as cheque to IRD would not work under T+1 timeline. Off exchange stamp duty we suggest to keep the deadline as T+2.

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?

No Comment

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.

Yes, suggestions and considerations as follows

We recommend that the mandatory buy-in timeframe remains unchanged from current market practice, which is remain in T+3., instead of T+2. Shortening the buy-in timeframe further would reduce the industry's ability to resolve exceptions and could increase avoidable buy-ins.

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

1. Implementation target of Q4 2027

Factoring in ~15 months lead time from publication of detailed specifications:

- The proposed go-live target is ambitious, and we recommend HKEX plan for extended industry testing and phased readiness checklists.

- We're concerned that given the overlap with implementation of T+1 in UK, EU and Swiss markets, there will be competition for change capacity, funding and resources (technology, operations, testing), for participants like us operating in those markets in addition to Hong Kong.

2. Kindly publish the intended testing phases, entry criteria, and expected participant coverage (custodians, CPs, EPs).