

Submitted via Qualtrics

Broadridge

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

Broadridge's key concern from a post-trade perspective is the operational impact of extended matching cycles in CCASS. We support the move to extend operating hours until 10pm HKT, but realistically there needs to be an automatic interface to the platform to input data. Our clients today use the CCASS upload/download functionality, so they would need to keep staff in the office until 10pm HKT. So therefore, Broadridge thinks that the real-time API interface for SI/ATI is a mandatory feature to achieve T+1 in the HK equity market.

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

Yes but please see our comments on the realtime interface.

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

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 - it does not affect our clients.

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 note the HKEx mention in the white paper about having a market wide workflow tool for the allocation and confirmation of trades. Broadridge would like to highlight our NYFIX Matching product and deep expertise in this area:

NYFIX Matching was designed and built for a T+0 matching environment. It uses the FIX protocol to connect to the brokers middle-office and asset managers, with a multi-asset class offering. After matching is completed, it will send settlement instructions to the custodian banks/prime brokers. After the trades are settled the platform will display the settlement statuses.

Broadridge would welcome the opportunity to discuss with the HKEx in more detail regarding this capability and how we may work together.

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.

No, reasons and considerations as follows

We think that the HKEx should target the T+1 go-live to be after the go-live of the European / UK T+1 initiative. Many firms will be focusing their resources on the go-live for these markets. It would be better to have 3 to 6 months gap before changes are rolled out for HK. It will also give more time for participants to test the new real-time CCASS APIs for SI/ATI being rolled out as part of OCP prior to the T+1 go-live.

