

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

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.

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

Process Automation

Automation of the post-trade process is critical, particularly given the compressed settlement timeline. It is essential that trade details are accurately agreed at the point of initial matching immediately following execution. A straight-through processing (STP) trade flow across all relevant

stakeholders would significantly reduce the risk of trade detail discrepancies at the pre-matching stage and minimize the need for subsequent amendments.

Buy-In Considerations

Some clients participate in stock lending program through their custodian or third-party lenders. Based on our experience, loan recalls may only settle as late as around 3:00 p.m. under the current T+2 settlement cycle. A move to T+1 would materially shorten the recall window, increasing the risk and operational challenge of recalling shares in time to meet market settlement obligations.

As investment managers, our ability to intervene is limited where a custodian or third-party lender is unable to settle a loan recall within the required timeframe. In this context, we would ask whether HKEx would consider either extending settlement deadlines or granting buy-in exemptions where there is evidence that the position has been legitimately loaned out and is in the process of being recalled.

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.

Yes, suggestions and considerations as follows

As a global firm, our clients typically fund Hong Kong equity trades in non-HKD currencies, most commonly USD. Where T+1 settlement coincides with a US public holiday, FX execution would need to occur on trade date (TD).

Given that the Hong Kong market closes at 4:00 p.m., and FX execution can only take place once trade details are fully agreed between investment managers and brokers—often after market close—it is unclear whether current FX market liquidity and cash settlement timelines would be able to support this requirement reliably. We would welcome clarification on whether the existing FX and cash settlement infrastructure can adequately facilitate this scenario under a T+1 settlement cycle.

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

The UK and wider EU markets are scheduled to transition to T+1 settlement on 11 October 2027. Significant resources will be required to support readiness for these markets, and it is therefore critical that any transition to T+1 in Hong Kong occur no earlier than six months thereafter.