

**Submitted via Qualtrics**  
**Company / Organisation view**

**1. Do you agree that the board lot value floor guidance should be revised? If not, please provide reasons.**

Yes.

**2. Do you agree that the board lot value floor guidance should be revised to HK\$1,000? If not, please provide reasons.**

Yes.

**3. Do you agree with introducing board lot value ceiling guidance? If not, please provide reasons.**

Yes.

**4. Do you agree that the board lot value ceiling guidance should be set at HK\$50,000? If not, please provide reasons.**

Yes.

**5. Do you agree with applying the board lot value ceiling guidance only to issuers whose board lot units exceed 100 shares in order to facilitate potential future adoption of a single board lot unit and support alignment with Chinese Mainland markets? If not, please provide reasons.**

No. We do not support applying the board lot value ceiling guidance only to issuers whose board lot units exceed 100 shares.

Applying the ceiling selectively based on board lot size may introduce unnecessary market and operational complexity. One of the key objectives of the proposed framework is to simplify the board lot structure and enhance market accessibility. However, adopting different treatment depending on whether the board lot unit exceeds 100 shares may lead to inconsistent application of rules across listed securities.

From a market participant perspective, such differentiated treatment could increase system development and operational complexity for brokers and banks, as systems would need to incorporate additional logic to determine whether the ceiling guidance applies to specific securities. This may also increase the risk of operational errors.

In addition, the approach may make it more difficult for retail investors to understand the board lot framework, as the applicable rules would vary depending on the lot size of individual

securities. This may not be fully aligned with the broader objective of enhancing market transparency and lowering participation barriers.

Furthermore, if the policy intention is to reduce high board lot transaction values and improve retail accessibility, applying the ceiling only to securities with board lot sizes exceeding 100 shares may limit the effectiveness of the measure.

We therefore believe a more consistent and straightforward framework would better support market understanding and operational efficiency.

**6. Do you support further reduction of the board lot value ceiling guidance in the future? If not, please provide reasons.**

Yes.

**7. Do you support standardising board lot units as a pathway to reducing market complexity? If not, please provide reasons.**

Yes.

**8. Do you support adopting the eight board lot units specified (1, 50, 100, 500, 1,000, 2,000, 5,000, 10,000 share(s))? If not, please provide reasons.**

Yes.

**9. If you do not support adopting eight board lot units, do you prefer a larger number of board lot units? If yes, please provide reasons.**

N/A

**10. (For issuers only) If a change is required, is six months an appropriate duration for an issuer to adjust its board lot unit or undertake other corporate action, to comply with board lot value ceiling guidance or standardisation of board lot units? If not, please provide reasons.**

N/A

**11. Do you support aligning implementation of standardisation of board lot units with the USM initiative? If not, please provide reasons.**

No. We do not support aligning the implementation of board lot standardisation with the USM initiative.

While we understand the potential operational efficiencies that may arise from coordinating both initiatives, linking the implementation timelines may introduce unnecessary dependency between two separate market reforms.

The board lot standardisation initiative and the USM initiative involve different implementation scopes and readiness requirements across market participants. If the two initiatives are closely tied together, any delay in one initiative may directly impact the rollout timeline of the other. This could create uncertainty for market participants in terms of project planning and resource allocation.

In addition, implementing both initiatives simultaneously may increase operational and system complexity for intermediaries, as firms would need to manage multiple significant system and operational changes at the same time.

We believe it would be more appropriate for the two initiatives to proceed independently, allowing each reform to be implemented based on its own readiness and market preparedness.

**12. Are there any anticipated challenges, such as system limitations, in implementing the proposed board lot framework?**

Yes. The implementation challenges would largely depend on the lead time provided for market participants.

If sufficient implementation lead time is provided, the proposed framework should be manageable from a system and operational perspective. Given the potential impact across trading systems, order management systems, client interfaces, settlement processes and internal controls, a lead time of approximately 9 to 12 months would be appropriate.

In addition to system implementation, intermediaries would also need adequate time to conduct client communication and investor education. Changes to board lot sizes may result in investors holding odd lots due to the transition, and customers should be given sufficient notice to take action if they wish to consolidate or adjust their holdings before the changes take effect.

Therefore, sufficient lead time will be important not only for system readiness but also for facilitating smooth market transition and minimizing potential disruption to investors.

**13. Do you have any other comments regarding the board lot framework enhancements in the Hong Kong securities market?**

No comment.