

We support SFC's and HKEx' initiative to move to a fully paperless market for Hong Kong equities, increase efficiency and adopt international standards. We also welcome SFC's / HKEx' plan to retain the existing model which is based on an omnibus account structure, while introducing the new USM model as an optional alternative. The omnibus account model is commonly used in most of the developed markets, due to operational and cost efficiencies, and is essential to allow collateral management and securities lending and borrowing services.