

Part B Consultation Questions

Please reply to the questions below that are raised in the Consultation Paper downloadable from the HKEX website at:

<http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2017063.pdf>

Please indicate your preference by checking the appropriate boxes.

Where there is insufficient space provided for your comments, please attach additional pages.

1. In light of the need to enhance Hong Kong's position as an international financial centre and satisfy market demand, do you support the extension of trading hours in the T+1 Session?

Yes

No

Please give reasons for your view.

2. Do you agree that the inclusion of equity index options in the T+1 Session could facilitate better risk management by brokers and investors?

Yes

No

Please give reasons for your view.

3. Do you agree that the proposed trading halt could mitigate / reduce risk to the market while maintaining a simple mechanism?

Yes

No

Please give reasons for your view.

FIA supports open, transparent and competitive markets. FIA supports trading venues curbing trading where it will reduce systemic risk in the markets and where there is a clear need to do so for example, to prevent disorderly trading. However it is important for HKEX, if it implements the trading halts, to be transparent and provide market participants with sufficient information on the parameters of such trading halts and the circumstances which will trigger the halt. We also query how often these parameters will be reviewed and monitored.

4. Do you have any other comments on the proposed implementation roadmap?

FIA agrees with a phased approach for implementation.

5. Do you agree with the alignment of the T+1 Session Cutoff Time with the close of trading hours at 03:00?

Yes

No

Please provide reasons if you disagree with that.

There are no objections to the HKEX proposal to align the T+1 session cut-off time with the close of trading provided post-trade activities can be conducted during the T+1 session and from 7.30am on the next Business Day as is the current practice.

Regarding current risk management arrangements (hourly capital based position limit monitoring and variation adjustments/margin call) there are currently no major operational concerns as it reflects current practice.

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