

香港聯合交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: BCAN Client Type Classification for Proprietary or Principal Trading

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It has come to the attention of the Exchange that a number of China Connect Exchange Participants (“CCEPs”) and Trade-through Exchange Participants (“TTEPs”) have continued to incorrectly classify client type 5 “Proprietary or Principal Trading” on their BCAN records despite Exchange’s recent guidance circular (“Guidance on BCAN Requirements” Ref. No.: MSM/004/2021).

Client Type 5 “Proprietary or Principal Trading” (in Chinese “自營交易”), should only be used for CCEPs’ or TTEPs’ and/or their affiliates’ proprietary or principal trading. For non-affiliated institutional client accounts, including such clients’ proprietary or principal trading accounts, should not be regarded as principal trading accounts from CCEPs’ / TTEPs’ perspective.

Examples of the latest incorrect classifications are summarized below:

- (i). Institutional clients’ accounts were wrongly classified as client type 5 “Proprietary or Principal Trading” as a result of an incorrect translation of “Proprietary or Principal Trading” (“自營交易”) as “公司帳戶”. These accounts should instead be classified as client type 4 “Legal Entity – Fund managers and others”. Such mistranslation was attributed to a lack of understanding of the client type classification by a third party system vendor; and
- (ii). Non-affiliated clients’ proprietary or principal trading accounts were misinterpreted as client type 5 “Proprietary or Principal Trading” by the staff of CCEPs / TTEPs.

The relevant requirement is stated in paragraph 17 of [Information Paper](#) and no. 19 of [FAQ](#) under Northbound Investor ID Model on the HKEX Website (www.hkex.com.hk). Detailed examples are set out in [BCAN-CID Mapping File Data Record Examples](#).

Where appropriate, CCEPs and TTEPs are strongly recommended to:

- (i). Follow up with their third party system vendor to provide accurate information and representation in the user interface; and
- (ii). Provide training to relevant staff to ensure a proper understanding and classification of BCAN client type.

In case incorrect BCAN client type records are identified, the CCEP / TTEP should inform the Exchange about the incident and obtain instructions on correcting the client type via email OTPC@hkex.com.hk or hotline 2840 3626.

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This circular has been issued in English together with Chinese translation of the same. If there is any discrepancy between the Chinese translation and the English version, the English version shall prevail.