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香港交易及結算有限公司是《證券及期貨條例》所述的認可控制人，亦為香港聯合交易所有限公司、香港期貨交易所有限公司、香港中央結算有限公司、香港聯合交易所期權結算有限公司、香港期貨結算有限公司及香港場外結算有限公司的控制人。

Hong Kong Exchanges and Clearing Limited is a recognized exchange controller under the Securities and Futures Ordinance which is the controller of The Stock Exchange of Hong Kong Limited, Hong Kong Futures Exchange Limited, Hong Kong Securities Clearing Company Limited, The SEHK Options Clearing House Limited, HKFE Clearing Corporation Limited and OTC Clearing Hong Kong Limited.

## 通告 CIRCULAR

**Subject: Closing of 2021 Annual Attestation and Inspection Programme**

**Enquiry: [surveillance@hkex.com.hk](mailto:surveillance@hkex.com.hk)**

With reference to the circular (Ref. No.: MSM/002/2021) dated 26 February 2021, the Hong Kong Exchanges and Clearing Limited (“**HKEX**”) is pleased to announce that it has successfully completed the 2021 Annual Attestation and Inspection Programme (the “**2021 Programme**”).

Under the 2021 Programme, HKEX inspected 32 Exchange Participants<sup>1</sup> and Clearing Participants<sup>2</sup> (collectively, the “**Participants**”). HKEX also received 100% response on self-attestation questionnaires from 772 Participants on compliance with the relevant rules and requirements on China Connect Rules, Manual Trade and Risk Management (collectively, the “**Priority Areas**”).

HKEX noted that in general, most Participants had put in place systems and controls for compliance with the relevant rules and requirements in the Priority Areas. However, certain deficiencies and shortcomings which are common across the Participants were identified. Compliance letters have been issued to a total of 48 Participants with recommendations for improvement in a number of areas, including:

- Breaches of certain BCAN requirements and investor eligibility requirements;
- Inadequate controls for fulfilling certain Manual Trade reporting requirements;
- Inadequate control arrangements on settlement operations, funding estimation and position management, as well as exposure monitoring and funding arrangement;
- Inadequate stress testing in terms of frequency and stressed scenarios on proprietary / client exposures;
- Lack of comprehensive framework and failure to implement proper arrangements to manage business continuity and operational risk; and
- Failure to notify clearing houses of the additional operations and risk control measures associated with new business activities.

<sup>1</sup> Exchange Participants of The Stock Exchange of Hong Kong Limited

<sup>2</sup> (i) Clearing Participants and General Clearing Participants of HKFE Clearing Corporation Limited, and (ii) Direct Clearing Participants and General Clearing Participants of Hong Kong Securities Clearing Company Limited and The SEHK Options Clearing House Limited

With a view to raising the awareness of Participants' compliance in the Priority Areas, we set out our key findings and elaborate on our compliance reminders in the Appendices ("**Compliance Reminders**"). The provisions highlighted in the Compliance Reminders are not exhaustive and may be subject to change from time to time. Participants are expected to keep abreast of all the relevant rules and regulations applicable to them.

Participants should review their current practices and procedures against our Compliance Reminders, adopt appropriate measures to strengthen their controls, and where necessary, take immediate actions to rectify any breaches or deficiencies.

HKEX takes any rule breaches or deficiencies seriously and may consider taking disciplinary actions against any non-compliant Participants, including issuance of warning letter, imposition of fine and instigation of disciplinary proceedings.

HKEX will continue its efforts in enhancing the industry's understanding and compliance with the relevant rules and requirements through compliance reminders, guidance notes and frequently asked questions.

Participants are encouraged to contact the Market Surveillance and Monitoring Department (email: [surveillance@hkex.com.hk](mailto:surveillance@hkex.com.hk)) should they have any feedback or questions regarding this circular.

**Felix Wang**  
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**Market Surveillance and Monitoring**  
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*This circular has been issued in English with a separate Chinese translation of the same. If there is any discrepancy between the Chinese version and the English version, the English version shall prevail.*