HKEX
香港交易所

ANNUAL ATTESTATION AND INSPECTION PROGRAMME 2022
SELF-ATTESTATION OF COMPLIANCE QUESTIONNAIRE

香港交易及結算所有限公司是《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所有限公司、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.

INSTRUCTIONS

(A) GENERAL INSTRUCTIONS

1. Before completing the Questionnaire, please carefully read and follow the instructions for completion of the Questionnaire.
2. Please open and complete the Questionnaire using **Adobe Acrobat**.
3. Please ensure that you answer all the questions using the dropdown menus and free text fields within the Questionnaire.
4. You may submit supplementary file(s), if you need more space to answer any question(s) or if you wish to provide additional information. You should clearly specify the question(s) to which the supplementary file(s) relate.
5. The Questionnaire is designed with the following logic:
   (a) Once a firm name has been selected for question (A1), the corresponding "ID Number" and/or "Customer Code" will be auto-populated. If you subsequently select another firm name, the form will be reset (i.e. all answers previously filled in will be cleared).
   (b) The dropdown menus and free text fields of all mandatory questions are highlighted with red borders.
   (c) If an entire section (i.e. a priority area) is not applicable to your firm, the section will be greyed out.
   (d) For certain questions, the Questionnaire will determine whether they are applicable to your firm depending on the answer you have filled in. If a specific question is not applicable to your firm, the Questionnaire will not allow you to answer that question. If a specific question is no longer applicable to your firm (perhaps as result of changing your answer to an earlier question), any previous answer filled in for that question will also be cleared.
6. When you save the Questionnaire, a reminder message will be prompted if there is any mandatory question which remains outstanding.

(B) PREPARING FOR SUBMISSION

1. You need to submit the Questionnaire together with any supplementary information (including "Supplementary Table associated with Shareholding Structure Chart provided to HKEX", if applicable) as one file in the ".zip" format (suggested tool **WinZip**).
2. Please ensure that there is no other zip file or multi-level folders within the zip file prepared for submission.
3. The zip file should be named according to the following naming convention:
   (a) **Group 1 (SEHK, HKSCC and SEOCH participants)** - MSM01_XXXXX_YYYYMMDD.zip; or
   (b) **Group 2 (HKFE and HKCC participants)** - MSM04_XXXXX_YYYYMMDD.zip;
   where (i) XXXXX is the second to sixth characters of your ECP User ID, and (ii) YYYY, MM and DD are year, month and date of the submission/re-submission respectively.
4. In case of re-submission, please follow the file name format as described in (B) 3 above. ECP will auto-assign version number to any re-submission on the same day.

(C) SUBMISSION VIA THE ELECTRONIC COMMUNICATION PLATFORM ("ECP")

Link to ECP: https://www.ecp.hkex.com.hk/
ECP User Guide: https://www.ecp.hkex.com.hk/ECP_frontend_userguide.pdf

1. To submit the zip file, you should use the ECP User ID belonging to the following user group:
   (a) **SEHK participants and dual participantships** - Trading Operations (i.e. TO);
   (b) **HKSCC and SEOCH participants** – Self-Attestation of Compliance Questionnaire (i.e. SA); or
   (c) **HKFE and HKCC participants** - Operations in Derivatives Market (HKFE products) (i.e. DO).
2. Once logged in, clicking the hyperlink of submission folder "Self-Attestation of Compliance Questionnaire" will direct you to the submission page.
3. Attach the zip file, and then click the "Submit" button. The ECP will perform certain validations before the file is accepted. These validations include (but are not limited to) the following:
   (a) The submission is not overdue;
   (b) The file name follows the correct format; and
   (c) The size of the zip file does not exceed 4MB.
4. A confirmation will be shown if the file has been accepted.

(D) ENQUIRIES

For enquiries on the ECP, please contact Trading Operations: ecpadmin@hkex.com.hk
For enquiries on the Questionnaire, please contact Market Surveillance & Monitoring: surveillance@hkex.com.hk

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SELF-ATTESTATION OF COMPLIANCE QUESTIONNAIRE

OVERVIEW

Unless otherwise defined herein, all capitalized terms in this Questionnaire have the same meaning as defined in the following rules (as applicable):

- Rules of the Exchange ("SEHK Rules"), Option Trading Rules ("OTR") and Operational Trading Procedures for Options Trading Exchange Participants of the Stock Exchange ("OTP") of The Stock Exchange of Hong Kong Limited ("SEHK")
- Rules, Regulations and Procedures ("HKFE Rules") of Hong Kong Futures Exchange Limited ("HKFE")
- General Rules of CCASS ("CCASS Rules") and CCASS Operational Procedures ("CCASS Operational Procedures") of Hong Kong Securities Clearing Company Limited ("HKSCC")
- Rules ("HKCC Rules") and Procedures ("HKCC Procedures") of HKFE Clearing Corporation Limited ("HKCC")
- Options Clearing Rules ("SEOCH Rules") and Operational Clearing Procedures for Options Trading Exchange Participants of SEOCH ("SEOCH Procedures") of The SEHK Options Clearing House Limited ("SEOCH")

GENERAL INFORMATION

(A1)	**FIRM NAME**	
(A1a)	SEHK Participant ID Number	
(A1b)	SEHK Option Participant ID Number	
(A1c)	HKFE Participant ID Number	
(A1d)	HKSCC Participant ID Number	
(A1e)	SEOCH Participant DCASS Customer Code	
(A1f)	HKCC Participant DCASS Customer Code	
(A1g)	HKATS Code	
(A2)	**CONTACT PERSON** (*For this Questionnaire*)	
(A2a)	Name	
(A2b)	Position	
(A2c)	Telephone Number (Direct Line or Mobile Number)	
(A2d)	Email Address	
(A3)	**CONTACT OF RESPONSIBLE OFFICER 1 [Note 1] / MANAGER-IN-CHARGE (OVERALL MANAGEMENT OVERSIGHT) [Note 2]**	
(A3a)	Name	
(A3b)	Position	
(A3c)	Telephone Number (Direct Line)	
(A3d)	Telephone Number (Mobile Number)	
(A3e)	Email Address	
(A4)	**CONTACT OF RESPONSIBLE OFFICER 2 [Note 1]**	
(A4a)	Name	
(A4b)	Position	
(A4c)	Telephone Number (Direct Line)	
(A4d)	Telephone Number (Mobile Number)	
(A4e)	Email Address	
(A5)	**CONTACT OF OFFICER RESPONSIBLE FOR SETTLEMENT OPERATIONS**	
(A5a)	Name	

(A5b)	Position	
(A5c)	Telephone Number (Direct Line)	
(A5d)	Telephone Number (Mobile Number)	
(A5e)	Email Address	
(A6)	CONTACT OF OFFICER RESPONSIBLE FOR FUND TRANSFER	
(A6a)	Name	
(A6b)	Position	
(A6c)	Telephone Number (Direct Line)	
(A6d)	Telephone Number (Mobile Number)	
(A6e)	Email Address	
(A7)	CONTACT OF OFFICER RESPONSIBLE FOR COMPLIANCE MATTERS	
(A7a)	Name	
(A7b)	Position	
(A7c)	Telephone Number (Direct Line or Mobile Number)	
(A7d)	Email Address	

(A8) SHAREHOLDING STRUCTURE CHART (*Applicable to Clearing House Participants only - excluding Custodian Participants*)

Please provide us with the latest (1) shareholding structure chart (see **Appendix 1**) and (2) a supplementary table with details for each entity (see **Appendix 2**). Further instructions and submission template of the supplementary table are provided in the Appendices, as attached in the same zip file of this Questionnaire. (*Please select "Not Applicable" if your firm only has Custodian Participantship*)

(A8a)	A shareholding structure chart is attached with the Questionnaire submission and is prepared according to the instruction.	
(A8b)	A table with entity details is attached with the Questionnaire submission and is prepared according to the instruction	
(A8c)	This submission is considered as your annual filing of shareholding information to HKSCC, HKCC and/or SEOCH (where applicable) under CCASS Rules 1703(viii)(b), HKCC Rule 214A(ii) and/or SEOCH Rule 403F(2).	
(A8d)	This is to confirm that you understand your obligation under CCASS Rules 1703(viii)(a) and (c), HKCC Rules 214A(i) and (iii) and/or SEOCH Rules 403F(1) and (3) (where applicable) and will provide an update shareholding structure chart and table to Clearing House (via email to ClearingCreditRisk@hkex.com.hk) as soon as reasonably practicable, if there is any reorganisation of your corporate group or a change (direct or indirect) affecting 10% or more in the share capital or voting rights of your firm subsequent to this filing.	
(A8e)	Is there any change in shareholding structure chart in the past 12 months?	
(A8f)	If "Yes" is selected for question (A8e), is the change (direct or indirect) affecting 35% or more in the share capital or voting rights?	

(A9) ORGANISATION CHART (*Applicable to Clearing House Participants only - excluding Custodian Participants*)

Please provide us with the latest organisation chart showing the key functions and their reporting lines to your senior management and the board, please confirm that (*Please select "Not Applicable" if your firm only has Custodian Participantship*):-

(A9a)	An organisation chart is attached with the Questionnaire submission, and the name of the file begins with “Key functions and staff” followed by your Participant ID and/or DCASS Customer Code and the “as of” date of the chart (e.g. “Key functions and staff B09999 and CZZZ 07Jan2021.pdf”).	
(A9b)	All departments related to clearing/settlement/risk management functions (including functions provided by holding or affiliates) are included in the chart.	

(A9c) The names of (1) the department heads, Responsible Officers and senior management and (2) all members of the board of directors are included in the chart.

Supplementary information regarding the organisation:

(A9d) Is there any change in organisation chart in the past 12 months?

(A9e) **If "Yes" or "Not applicable" is selected for question (A9d), please provide supplementary information.***

(A9f) Does any senior management or directors in your board have other role in your Group (excluding the roles mentioned under (A9b))?

(A9g) **If "Yes" or "Not applicable" is selected for question (A9f), please provide supplementary information.***

ALGORITHMIC TRADING (*Applicable to SEHK and HKFE Exchange Participants only*)

(A10) During the past 12 months, has your firm adopted algorithmic trading ("AT") systems/technologies in the placing and execution of orders for trading in securities or derivatives listed on the Exchange?

Generally speaking, AT refers to electronic, computerised trading system that automatically executes orders according to predetermined parameters and rules.

If "Yes" is selected for question (A10), please answer questions (A11) to (A26).

(A11) Please specify which markets your firm has deployed AT systems or technologies when engaging in trading activities ("AT activities") (e.g. equity market, futures market, options market, Exchange Traded Fund market, fixed income market, or others; please specify if others)*.

(A12) Please specify your firm's trading capacity for the AT activities.

(A12a) • Principal only

(A12b) • Agency only

(A12c) • Both principal and agency

(A13) Please specify the sources of your firm's AT system(s).

(A13a) • Proprietary

(A13b) • Third-party vendor

(A13c) • Other

(A13d) **If "Yes" is selected for questions (A13b) and/or (A13c), please specify the details*.**

(A14) Please specify the sources of your firm's trading algorithms.

(A14a) • Proprietary

(A14b) • Client trading via direct market access

(A14c) • Third-party vendor

(A14d) • Other

(A14e) **If "Yes" is selected for questions (A14c) and/or (A14d), please specify the details*.**

(A15) Please elaborate your firm's AT trading strategies adopted (e.g. percentage of volume, volume-weighted average price, time-weighted average price, liquidity seeking, arrival price, dark aggregator, etc.).

(A16) During the past 12 months, has your firm adopted high frequency trading ("HFT") technologies in the placing and execution of orders for trading in securities or derivatives listed on the Exchange?

Generally speaking, HFT refers to a subset of AT that trades securities at extremely high speed, from microseconds to nanoseconds, while maintaining very tight intraday inventory positions.

(A17) Please specify which markets your firm has engaged in HFT activities (e.g. equity market, futures market, options market, Exchange Traded Fund market, fixed income market, or others; please specify if others)*.

(A18) Please specify your firm's trading capacity for the HFT activities.

(A18a) • Principal only

(A18b) • Agency only

(A18c) • Both principal and agency

(A19) Does your firm have appropriate control arrangements in place to ensure that persons (a) involved in the design and development of; or (b) approved to use the AT system and trading algorithms are suitably qualified?

(A20) Does your firm have appropriate control arrangements in place to prevent unauthorised access to its trading algorithms?

(A21) Does your firm have appropriate control arrangements in place to ensure that the AT and trading algorithms it uses or provides to clients for use are adequately tested to ensure that they operate as designed?

(A22) Does your firm have appropriate control arrangements to ensure that modifications to its trading algorithms follow a proper control change management procedures?

(A23) Does your firm have appropriate control arrangements in place (covering the AT and trading algorithms it uses or provides to clients for use) to ensure that its AT system and trading algorithms operate in the interest of the integrity of the market (e.g. prevent erroneous orders from placing to the market)?

(A24) Does your firm have appropriate measures and arrangements in place (covering the AT and trading algorithms it uses or provides to clients for use) to monitor and where appropriate, (a) prevent the generation of or passing erroneous order instructions from its AT system to the market; and (b) cancel any unexecuted orders of such nature that are still in the market.

(A25) Please specify the risks (e.g. price and volume or other pre-trade controls, order placing, routing and cancellation in contingency circumstances) that are associated with the use of AT (including HFT) systems and technologies*.

(A26) **If "No" is selected for any questions from (A19) to (A24), please provide supplementary information to explain*.**

(A27) HANDLING OF ERROR TRADE (*Applicable to SEHK and HKFE Exchange Participants only*)

(A27a) Were there any error trades occurred in the past 12 months?

If "Yes" is selected for question (A27a), please answer questions (A27b) to (A27c).

(A27b) Have the error trades been reported to the relevant exchange?

(A27c) Please provide supplementary information on the error trades occurred, including but not limited to the root causes of the error trades, and the measures in place to prevent re-occurrence*.

(A27d) Does your firm have controls in place to ensure timely identification of error trades?

(A27e) Does your firm have proper procedures to ensure error trades would be promptly reported to the relevant exchange upon identification?

(A27f) **If "No" is selected for questions(A27d) and/or (A27e), please provide supplementary information to explain*.**

(A28) DECLARATION

I certify that the information provided in this Questionnaire (including all the information stated in the supporting documents, if any) is complete, true and accurate and that we have not made any statements or omissions which would render such information untrue or misleading.

(A28a) Name of Responsible Officer

(A28b) Position:

(A28c) Date (dd/mm/yyyy):

Personal Information Collection Statement
Hong Kong Exchanges and Clearing Limited, and from time to time, its subsidiaries (together the "Group") (and each being "HKEX", "we", "us" or "member of the Group" for the purposes of this Privacy Policy Statement as appropriate) recognise their responsibilities in relation to the collection, holding, processing, use and/or transfer of personal data under the Personal Data (Privacy) Ordinance (Cap. 486) ("PDPO"). Personal data will be collected only for lawful and relevant purposes and all practicable steps will be taken to ensure that personal data held by us is accurate. We will use your personal data which we may from time to time collect in accordance with our Privacy Policy Statement. A copy of the Privacy Policy Statement is available on HKEX's website at http://www.hkex.com.hk/eng/global/privacy_policy.htm.

** If there is insufficient space to answer, please specify the supplementary file that should be referred to and see Part B in "Instructions" for details on how to submit supplementary files.*
[Note 1]: Executive Officer for Registered Institution.
[Note 2]: Chief Executive or Chief Operating Officer for Registered Institution.

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SECTION 1 - CHINA CONNECT SECURITIES TRADING (SHANGHAI / SHENZHEN)

(This section is applicable to SEHK Participants only)

Exchange Participantship	SEHK
Exchange Participant Name	
Review Period	From 1 Jan 2021 To 31 Mar 2022

For the purpose of this section:
Principal trading Refers to trading on the participant firm's own account.
Agency trading Refers to trading on behalf of the participant firm's clients, including client trading channeled from the firm's parent or sister companies.

(B1) **During the review period, did your firm conduct any northbound trading activities in China Connect Securities for:**

(B1a) • Agency trading

(B1b) • Principal trading

(B2) **During the review period, was your firm registered as:**

(B2a) • a China Connect Exchange Participant ("CCEP")

(B2b) • a Trade-through Exchange Participant i.e. Exchange Participant trading through a China Connect Exchange Participant ("TTEP")

The rest of this section is only applicable if you have selected "Yes" to question (B2a) or (B2b).

(B3) **Compliance with Applicable Laws and the Rules**

In relation to SEHK Rules 1432 to 1434, 14A10 and 14B10 on compliance with the laws and rules applicable to the trading of China Connect:

(B3a) Does your firm have designated personnel, compliance and/or legal department to enable your firm to understand and comply with all applicable laws, rules and regulations with regard to the trading of China Connect Securities on the relevant China Connect Market?

(B3b) Does your firm comply, and have proper arrangements in place to advise your clients to comply with the relevant SSE/SZSE Rules and laws and regulations of Mainland China relating to the use of China Connect Service and the trading of China Connect Securities as stipulated under SEHK Rules 14A10(1) and 14B10(1)?

(B3c) Does your firm provide adequate disclosure to your clients in relation to the risks associated with trading of China Connect Securities as stipulated under SEHK Rules 14A10(2) and 14B10(2)?

(B3d) Does your firm acknowledge, and have appropriate arrangements to obtain acknowledgement from client relating to trading of China Connect Securities as stipulated under SEHK Rules 14A10(3)-(7) and 14B10(3)-(7)?

(B3e) Does your firm conduct trade surveillance and monitoring to detect possible market misconduct and breach of relevant trading rules applicable to the trading of China Connect Securities?

(B3f) **If "No" is selected for any questions from (B3a) to (B3e), please provide supplementary information to explain*.**

(B4) **Daily Quota / Turnaround Trading / Pre-trading Checking / Non-trade Transfer / Odd Lot**

Does your firm comply with the following SEHK Rules on:

(B4a) • Quotas on the trading of China Connect Securities (SEHK Rule 1428)

(B4b) • Turnaround Trading (SEHK Rules 14A06(4) & 14B06(5))

(B4c) • Pre-trade Checking (SEHK Rules 1421(2), 1424, 14A06(2A), (2B), (5)-(10) & 14B06(3), (3A), (6)-(12))

(B4d) • Non-trade Transfer (SEHK Rules 14A12 & 14B12)

(B4e) • Odd Lots (SEHK Rules 14A06(3) & 14B06(4))

(B4f) **If "No" is selected for any questions from (B4a) to (B4e), please provide supplementary information to explain*.**

(B4g) In relation to SEHK Rule 1428 on quotas on the trading of China Connect Securities, does your firm have effective pre-trade controls to prevent quota hogging?

(B4h) In relation to SEHK Rules 14A06(4) and 14B06(5) on restriction of turnaround trading, does your firm have appropriate arrangements in place to ensure that China Connect Securities purchased by you or through you for your clients on a CSC trading day will not be sold on the same day whether as principal or as agent?

(B4i) In relation to SEHK Rules 1421(2), 1424, 14A06(5)-(10) and 14B06(6)-(12) on pre-trade checking, does your firm have appropriate arrangements in place to ensure that you or your clients have sufficient securities (or funds) at the time of placement of sell (or buy) order to settle the delivery (or payment) obligation?

(B4j) In relation to SEHK Rules 14A06(2A) and 14B06(3) on SPSA order, does your firm have sufficient controls in place to ensure accurate input of SPSA investor identification number before inputting an SPSA order into the China Stock Connect System?

(B4k) In relation to SEHK Rules 14A06(2B) and 14B06(3A) on Master SPSA order, does your firm have sufficient controls in place to ensure accurate input of Master SPSA investor identification number before inputting a Master SPSA order into the China Stock Connect System?

(B4l) In relation to SEHK Rules 14A06(2B) and 14B06(3A) on Master SPSA order, does your firm have sufficient controls in place to ensure receipt of pre-allocation instructions from the Master SPSA Holder in respect of the relevant China Connect Securities before inputting a Master SPSA order into the China Stock Connect System?

(B4m) In relation to SEHK Rules 14A12 and 14B12, does your firm have sufficient controls in place to ensure that non-trade transfers are only carried out for the purpose prescribed under SEHK Rules 14A12(2) and 14B12(2)?

(B4n) Does your firm have adequate policies and procedures on handling of error trade and other permissible non-trade transfer as prescribed under SEHK Rules 14A12(2) and 14B12(2)?

(B4o) Does your firm have proper procedures to report to the Exchange the details of non-trade transfer between your firm and your clients for the purpose of rectifying error trades as stipulated under SEHK Rules 14A12(3) and 14B12(3)?

(B4p) In relation to SEHK Rules 14A06(3) and 14B06(4) on odd lots, does your firm have sufficient controls in place to ensure that China Connect buy orders involving odd lots or partial sale of odd lots held in respect of any China Connect Security for your firm or your clients are not allowed?

(B4q) **If "No" is selected for any questions from (B4g) to (B4p), please provide supplementary information to explain*.**

(B5) **Shareholding Restrictions / Disclosure Obligations**

Does your firm comply with the following SEHK Rules on:

(B5a) • Shareholding Limits on Foreign Investors (SEHK Rules 14A08(2)-(3) and 14B08(2)-(3))

(B5b) • Forced-sale Procedures (SEHK Rules 14A08(5)-(8) and 14B08(5)-(8))

(B5c) • Disclosure Obligations regarding China Connect Securities (SEHK Rules 14A09 and 14B09)

(B5d) **If "No" is selected for any questions from (B5a) to (B5c), please provide supplementary information to explain*.**

(B5e) In relation to SEHK Rules 14A08(2) and 14B08(2) on foreign investors shareholding limit, does your firm have adequate resources and appropriate arrangements in place to ensure compliance and to alert your clients to comply with the 10% individual shareholding limit?

(B5f) In relation to SEHK Rules 14A08(3) and 14B08(3), does your firm have appropriate arrangements in place to ensure compliance and to alert your clients of the 30% aggregate shareholding limit and the forced-sale arrangements?

(B5g) In relation to SEHK Rules 14A08(5)-(8) and 14B08(5)-(8) on forced-sale procedures, does your firm have in place appropriate measures (including entering into legally enforceable client agreement) to enable you to carry out the forced-sale arrangements on a timely basis?

(B5h) In relation to SEHK Rules 14A09 and 14B09 on disclosure obligations regarding China Connect Securities, does your firm have appropriate arrangements in place to ensure compliance with such SEHK Rules and to alert your clients to comply with the 5% shareholding disclosure requirements?

(B5i) **If "No" is selected for any questions from (B5e) to (B5h), please provide supplementary information to explain*.**

(B6) **Margin Trading**

(B6a) Does your firm conduct any Margin Trading activity of China Connect Securities?

(B6b) Have your firm communicated clearly with your clients whether Margin Trading of China Connect Securities is included in the scope of services provided to them and (if applicable) the corresponding terms and conditions?

(B6c) **If "No" is selected for question (B6b), please provide supplementary information to explain*.**

If "Yes" is selected for question (B6a), please answer questions (B6d) to (B6i).

(B6d) Does your firm comply with SEHK Rules 14A15 and 14B15 on Margin Trading of China Connect Securities?

(B6e) Does your firm have proper arrangements in place to ensure that no client, by virtue of the aggregated collateral values of securities held in his/her portfolio, is allowed to purchase those China Connect Securities that are not included in the List of Eligible SSE/SZSE Securities for Margin Trading?

(B6f) In relation to SEHK Rules 14A15(2) and 14B15(2) on Margin Trading of China Connect Securities, does your firm have proper arrangements in place to ensure Margin Trading is confined to the List of Eligible SSE/SZSE Securities for Margin Trading published by the Exchange?

(B6g) Before passing any China Connect buy orders involving Margin Trading to the CSC, does your firm have proper arrangements in place to ensure the restrictions and requirements set out in SEHK Rules 14A15(4)-(5) and 14B15(4)-(5) are adhered to?

(B6h) Does your firm have appropriate arrangements in place to ensure that your clients are aware of and understand the restrictions, requirements and conditions applicable to Margin Trading of China Connect Securities as required under SEHK Rules 14A15(7) and 14B15(7)?

(B6i) **If "No" is selected for any questions from (B6d) to (B6h), please provide supplementary information to explain*.**

(B7) **Stock Borrowing and Lending**

(B7a) Does your firm conduct any Stock Borrowing and Lending activity of China Connect Securities?

(B7b) Have your firm communicated clearly with your clients whether Stock Borrowing and Lending of China Connect Securities is included in the scope of services provided to them and (if applicable) the corresponding terms and conditions?

(B7c) **If "No" is selected for question (B7b), please provide supplementary information to explain*.**

If "Yes" is selected for question (B7a), please answer questions (B7d) to (B7j).

(B7d) Does your firm comply with SEHK Rules 14A16 and 14B16 on Stock Borrowing and Lending of China Connect Securities?

(B7e) Have your firm, where applicable, provided to the Exchange the undertaking or confirmation referred in SEHK Rules 14A16(10)-(11) and 14B16(10)-(11)?

(B7f) Does your firm have proper procedures or appropriate approval process in place to ensure Stock Borrowing and Lending of China Connect Securities are carried out only for the purpose as stipulated under SEHK Rules 14A16(2)-(3) and 14B16(2)-(3)?

(B7g) Does your firm have proper procedures and checking process in place to ensure Stock Borrowing and Lending activities are carried out in accordance with under SEHK Rules 14A16(4)-(6) and 14B16(4)-(6)?

(B7h) Does your firm have adequate resources and appropriate arrangements in place to ensure timely submission of the monthly report to the Exchange as required under SEHK Rules 14A16(12) and 14B16(12)?

(B7i) Does your firm have appropriate arrangements in place to ensure your clients understand and are aware of the restrictions, requirements and conditions applicable to the Stock Borrowing and Lending of China Connect Securities as required under SEHK Rules 14A16(13) and 14B16(3)?

(B7j) **If "No" is selected for any questions from (B7d) to (B7i), please provide supplementary information to explain*.**

(B8) **Short Selling**

(B8a) Does your firm conduct any Short Selling activity of China Connect Securities?

(B8b) Have your firm communicated clearly with your clients whether Short Selling of China Connect Securities is included in the scope of services provided to them and (if applicable) the corresponding terms and conditions?

(B8c) **If "No" is selected for question (B8b), please provide supplementary information to explain*.**

If "Yes" is selected for question (B8a), please answer questions (B8d) to (B8m).

(B8d) Does your firm comply with SEHK Rules 14A17 and 14B17 on Short Selling of China Connect Securities?

(B8e) Does your firm have appropriate arrangements in place to ensure that Short Selling is confined to the list of eligible SSE/SZSE Securities for Short Selling published by the Exchange?

(B8f) Does your firm have appropriate arrangements in place to ensure that Short Selling orders are accurately flagged and comply with the price restriction requirement?

(B8g) Before inputting a Short Selling order for your own account, does your firm have proper controls and procedures in place to ensure that requirements under SEHK Rules 14A17(13)(b) and 14B17(13)(b) are complied with?

(B8h) Before inputting a Short Selling order for a client, does your firm have appropriate arrangements in place to ensure your have obtained client confirmation that the order is a Short Selling order and to keep proper records of such confirmation?

(B8i) Before inputting a Short Selling order for a client, does your firm have proper controls and procedures in place to ensure the requirements under SEHK Rules 14A17(13)(a)(i)-(iv) and 14B17(13)(a)(i)-(iv) are complied with?

(B8j) In the case where your firm knows or is informed that an order is Short Selling order, does your firm have proper methodology in place to ensure when passing such order to another person having access to the CSC, to inform him that the order is a Short Selling order?

(B8k) Does your firm have adequate resources and appropriate arrangements in place to ensure compliance with the relevant reporting requirements required under SEHK Rules 14A17(17)-(20) and 14B17(17)-(20)?

(B8l) Does your firm have appropriate arrangements in place to ensure your clients who wish to carry out Short Selling understand and are aware of the applicable restrictions, requirements and conditions including the price restriction requirement as stipulated under SEHK Rules 14A17(27) and 14B17(27)?

(B8m) **If "No" is selected for any questions from (B8d) to (B8l), please provide supplementary information to explain*.**

(B9) **Trading of ChiNext Shares and/or STAR Shares**

(B9a) Does your firm execute trades in ChiNext Shares and/or STAR Shares?

If "Yes" is selected for question (B9a), please answer questions (B9b) to (B9f).

(B9b) Does your firm have appropriate arrangements to ensure your direct client is an Institutional Professional Investor ("IPI") before accepting its instruction to buy ChiNext shares or STAR shares under SEHK Rule 14B06(18) and 14A06(15)?

(B9c) Does your firm conduct regular review on clients' IPI statuses?

(B9d) Does your firm have appropriate arrangements to require your intermediary client to ensure that only IPIs are allowed to buy ChiNext shares or STAR shares under SEHK Rule 14B06(18) and 14A06(15)?

(B9e) Does your firm conduct regular and appropriate post trade review which covers all clients including the underlying clients of intermediary clients for the purpose of compliance with the investor eligibility requirement for the trading of ChiNext shares and/or STAR shares?

(B9f) **If "No" is selected for any questions from (B9b) to (B9e), please provide supplementary information to explain*.**

(B10) **Broker-to-Client Assigned Number ("BCAN")**

(B10a) Does your firm comply with SEHK Rule 1425A on BCAN requirements?

(B10b) **If "No" is selected for question (B10a), please provide supplementary information to explain*.**

Does your firm have proper procedures in place to ensure compliance with requirements applicable to BCAN assignment as stipulated under SEHK Rule 1425A(1), including but not limited to:

(B10c) • unique BCAN for each person who buys or sells China Connect Securities

(B10d) • for fund or fund manager clients, BCAN is assigned as per the account opening arrangement

(B10e) • assign BCAN to clients of affiliate(s)

(B10f)	• BCAN is prepared in such a way not to bear any obvious link to any client's identity (e.g., your firm's internal client account numbers are not used in full or in part to form the corresponding BCANs assigned)	
(B10g)	Does your firm have appropriate arrangements in place to ensure your BCAN-CID Mapping File is submitted as required under SEHK Rule 1425A(2)?	
(B10h)	Does your firm conduct regular review to ensure the data in its BCAN-CID Mapping File is accurate and up to date?	
(B10i)	Does your firm have proper methodology in place to ensure the correct BCAN is included when inputting a China Connect order as required under SEHK Rule 1425A(4)?	
(B10j)	Does your firm have appropriate arrangements in place to ensure you have obtained the necessary authorizations and consents required under SEHK Rule 1425A(5)?	
(B10k)	In the case where the necessary authorizations and consents cannot be obtained, or are invalid or deficient, does your firm have a proper methodology in place to ensure that only China Connect sell orders can be inputted for the relevant client(s)?	
(B10l)	Does your firm have appropriate controls and procedures in place to report incorrect BCAN as required under SEHK Rule 1425A(7)?	
(B10m)	**If "No" or "Not applicable" is selected for any questions from (B10c) to (B10l), please provide supplementary information to explain*.**	

(B11)	**Others**	
(B11a)	Does your firm have appropriate arrangements in place to ensure, where applicable, your intermediary clients who are Exchange Participants and conduct trading for their clients are registered as TTEPs both initially and on an on-going basis?	
(B11b)	Does your firm regularly review your policies, procedures, methodologies and resources on China Connect Northbound trading activities?	
(B11c)	If "Yes" is selected for question (B11b), please specify the frequency of the review.	
(B11d)	Does your firm have proper procedures to ensure the incident of non-compliance would be promptly reported to the relevant exchange and/or clearing house upon identification?	
(B11e)	Does your firm have proper escalation procedures and operational risk management framework to implement corrective and preventive actions?	
(B11f)	Does your firm provide proper and adequate training other than on-the-job training to staff who are involved in the trading of China Connect Securities?	
(B11g)	**If "No" or "Not applicable" is selected for any questions from (B11a) to (B11b), or (B11d) to (B11f) please provide supplementary information to explain*.**	

** If there is insufficient space to answer, please specify the supplementary file that should be referred to and see Part B in "Instructions" for details on how to submit supplementary files.*

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ANNUAL ATTESTATION AND INSPECTION PROGRAMME 2022
SELF-ATTESTATION OF COMPLIANCE QUESTIONNAIRE

SECTION 2A - RISK MANAGEMENT (I)

(This section is applicable to :
(i) Direct Clearing Participants, General Clearing Participants and Custodian Participants of HKSCC
(ii) Clearing Participants and General Clearing Participants of HKCC; and
(iii) Direct Clearing Participants and General Clearing Participants of SEOCH)

Clearing House	HKCC,HKSCC,SEOCH
Clearing/Custodian Participant Name	
Review Period	From 1 Jan 2021 To 31 Mar 2022

(C1) **Was your firm a participant of the following clearing houses during the review period?**

(C1a) • HKSCC (Direct Clearing Participant / General Clearing Participant)

(C1b) • HKSCC (Custodian Participant)

(C1c) • HKCC (Clearing Participant / General Clearing Participant)

(C1d) • SEOCH (Direct Clearing Participant / General Clearing Participant)

If "Yes" is selected for question (C1a), please complete Section 2A and Section 2B - questions (D1) to (D4).
If "Yes" is selected for question (C1b), please complete Section 2B - question (D3).
If "Yes" is selected for question (C1c), please complete Section 2A and Section 2C - questions (E1) to (E7).
If "Yes" is selected for question (C1d), please complete Section 2A and Section 2C - questions (E1) to (E3) and (E5) to (E6).

(C2) **Entity Profile Update (since the beginning of review period) -** ***Applicable to Clearing Participants***

(C2a) Have the shares of your firm been pledged/charged as collateral in your holding company's borrowing?

(C2b) Have any petitions been presented, any proceedings been commenced, any orders been made, any effective resolutions been passed, or any other steps been taken by any person for the winding-up, re-organisation, reconstruction, amalgamation or dissolution of your firm?

(C2c) Is any provisional liquidator, liquidator, receiver or similar officer being appointed to take over control of all or any part of your firm's business or assets?

(C2d) Number of staff in the firm (excluding Account Executives)

(C2e) **If "Yes" is selected for any questions from (C2a) to (C2c), please provide supplementary information.***

(C3) **Business Profile -** ***Applicable to Clearing Participants***

(C3a) Were any of the following activities newly commenced during or after the review period? (1) China Connect Northbound Trading; (2) Margin Financing; (3) Stock Borrowing; (4) Proprietary Trading

If "Yes" selected for question (C3a), please answer questions (C3b) to (C3c).

(C3b) Did your firm notify HKSCC/HKCC/SEOCH of the additional operations and risk control associated with those new activities identified under (C3a) when commencing the activities as required under CCASS Rule 1703(iii), HKCC Rules 214(n) or SEOCH Rules 403(17)?

(C3c) **If "No" is selected for question (C3b), please explain why your firm did not notify HKSCC/HKCC/SEOCH before engaging in those activities.***

(C4) **Senior Management Oversight (Risk Governance And Rule Setting) -** ***Applicable to Clearing Participants***

(C4a) Is there a regular risk committee set up to enable the senior management to oversee the risk management of your firm?

(C4b) If "Yes" is selected for question (C4a), how frequent is the meeting being held at minimum?

(C4c) Does your firm have policies covering the following operations and risk control procedure? [Note 3]
- Meeting financial requirements and payment obligations of the clearing house
- Management of funding and payment obligations during a client default event
- Managing system access rights
- Margin system and calculation (if applicable)
- Managing settlement obligations for CNS positions and collateral requirements (if applicable)

(C4d) **If "No" is selected for question (C4a) or (C4c), please provide supplementary information to explain.***

(C5) **Funding Transfer and Authorisation** - ***Applicable to Clearing Participants***

(C5a) Are your firm's designated account(s) for money settlement purpose all operative (i.e. not became dormant) during the review period?

(C5b) Does your firm have any designated account(s) for money settlement purpose that had no financial activity for more than 3 months during the review period?

(C5c) If "Yes" is selected for question (C5b), does your firm take any precautionary measures (e.g. conduct a testing transaction on regular basis) to keep the account operative?

(C5d) Does the drawing of funds from your firm to its group company or shareholder requires approval from directors who do not represent group company or shareholders interest?

(C5e) Does the drawing of funds from your firm to your group company or shareholder requires approval from Responsible Officers (ROs)?

(C5f) Has your firm set up internet banking (or, if your firm is part of a banking group, SWIFT transfers executed by your firm's or group's Treasury Department) to effect immediate (1) money transfer between your firm's bank account (including house account and client account) and its designated account for money settlement purpose and (2) FX conversion of funds?

(C5g) Is >=80% of your firm's house and client money being deposited in the same bank where its designated account for money settlement purpose is located?

(C5h) Has your firm set up the necessary third party internet banking transfer authorisation to effect immediate money transfer between its key bank account and HKSCC's bank accounts [Note 4]? (*This question is applicable to HKSCC Direct Clearing Participants or General Clearing Participants only. Please select "Not Applicable" if your firm does not have the aforementioned participantship*)

(C5i) **If "No" is selected for question (C5a), or any questions from (C5c) to (C5h), please provide supplementary information to explain.***

(C6) **Specific Control (General Clearing Participant ("GCP") Services)** - ***Applicable to Clearing Participants***

(C6a) Is your firm a General Clearing Participant of HKSCC, HKCC or SEOCH?

If "Yes" selected for question (C6a), please answer questions (C6b) to (C6o).

(C6b) Does your firm have policy setting out the criteria to be used in the approval of new Non-Clearing Participant (NCP) and the credit assessment process?

(C6c) Does your firm have policy setting out the determination of NCP's trading and / or position limit(s) and the associated control and monitoring process?

(C6d) Does your firm have margin policies and monitoring procedures for its NCP clients, covering margining and collection under different market conditions, as well as types of acceptable collateral and valuation?

(C6e) Does your firm have the procedures, in case of NCP default, to handle any remaining positions of the default NCP and to notify to the Clearing Houses of the default NCP?

(C6f) In case your firm or any of its NCP intends to terminate the clearing agreement, does your firm have procedures for such termination, including notification to the Clearing Houses?

(C6g) **If "No" is selected for any questions from (C6b) to (C6f), please provide supplementary information to explain.***

(C6h) Is your firm (1) An SEHK Exchange Participant and at the same time, an HKSCC GCP; (2) A HKFE Exchange Participant and at the same time, an HKCC GCP; or (3) A SEHK OTEP and at the same time, a SEOCH GCP?

If "No" selected for question (C6h), please answer question (C6i) to (C6k).

(C6i) Is there any support provided by a third party Exchange Participant or your firm's affiliate that can help to liquidate client's portfolio in case the client defaults?

(C6j) Is there a process to assess, review and monitor the creditworthiness of that third party Exchange Participant or the affiliate?

(C6k) **If "No" is selected for any questions from (C6i) to (C6j), please provide supplementary information to explain.***

(C6l) Is your firm offering clearing services to entities that are not an intragroup entity/affiliate (e.g. fund house or other brokers in the industry)?

(C6m) Does your firm intend to (or will continue to) offer clearing services to entities that are not an intragroup entity/affiliate (e.g. fund house or other brokers in the industry)?

(C6n) **If "Yes" is selected for any questions from (C6l) to (C6m), please provide current pricing structure charged to NCP clients. Please type "See Attachment" if the information is provided as an attachment.***

(C6o) Apart from clearing services, does your firm also offer credit facilities to its NCP clients?

(C7) **Specific Control (Proprietary Trading Business) - *Applicable to Clearing Participants***

(C7a) Does your firm conduct proprietary trading activities?

If "Yes" selected for question (C7a), please answer questions (C7b) to (C7h).

(C7b) Does the sum of investment in (1) High-yield bond, (2) Private Equity Instrument, (3) Highly leveraged investment, and (4) OTC derivatives is greater than 20% of liquid capital as of end of review period?

(C7c) Please specified the product class you invested in proprietary trading business and their respectively percentage in terms of position as of end of the review period.

(C7d) Does your firm have proprietary trading limit in place to control the risk of proprietary trading activity?

(C7e) Does your firm have stop loss mechanism in place to control the risk of proprietary trading activity?

(C7f)	Does your firm conduct loss analysis (e.g. stress testing) to evaluate the potential loss on your proprietary trading portfolio under extreme but plausible scenario?	
(C7g)	Please specify the potential loss (in terms of % of liquid capital) if the trade limits assigned to your proprietary trading portfolio are fully utilised.	
(C7h)	**If "No" is selected for any questions from (C7d) to (C7g), please provide supplementary information to explain.***	

** If there is insufficient space to answer, please specify the supplementary file that should be referred to and see Part B in "Instructions" for details on how to submit supplementary files.*

[Note 3]: For reference, you may refer to Attachment 2 of "Explanatory Notes for Application for Participantship and Trading Right" for the guidelines of respective policies.

[Note 4]: HKSCC has bank accounts in BANK OF CHINA (HONG KONG) LTD, THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD, INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LTD, STANDARD CHARTERED BANK (HONG KONG) LTD and OCBC WING HANG BANK LTD), updated list of account numbers can be found in the Appendix 1 of circular CD/CDCO/CCASS/038/2020 issued by HKSCC on 8 Oct 2020: https://www.hkexgroup.com/-/media/HKEX-Market/Services/Circulars-and-Notices/Participant-and-Members-Circulars/HKSCC/2020/ce_HKSCC_SET_038_2020.pdf.

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ANNUAL ATTESTATION AND INSPECTION PROGRAMME 2022
SELF-ATTESTATION OF COMPLIANCE QUESTIONNAIRE

SECTION 2B- RISK MANAGEMENT (II)

(This section is applicable to Direct Clearing Participants, General Clearing Participants and Custodian Participants of HKSCC only)

Clearing House	HKCC,HKSCC,SEOCH
Clearing/Custodian Participant Name	
Review period	From 1 Jan 2021 To 31 Mar 2022

(D1) **Exposure Control (Cash Business)** - ***Applicable to HKSCC Clearing Participants***

(D1a) Does your firm allow client to place order before good fund is confirmed?

If "Yes" selected for question (D1a), please answer questions (D1b) to (D1e).

(D1b) Does your firm impose limit on clients who are allowed to place order before good fund is confirmed (DvP clients only) to control the T+2 exposure at client level (trading limit)?

(D1c) Does your firm impose limit on clients who are allowed to place order before good fund is confirmed (clients not settled on DvP basis) to control the T+2 exposure at client level (trading limit) ?

(D1d) Is there any regular review of the limit mentioned in questions (D1b) or (D1c) after it has been granted?

(D1e) **If "No" is selected for any questions from (D1b) to (D1d), please provide supplementary information to explain*.**

(D2) **Exposure Control (Margin Financing Business)** - ***Applicable to HKSCC Clearing Participants***

(D2a) Does your firm conduct margin financing business?

If "Yes" selected for question (D2a), please answer questions (D2b) and (D2c).

(D2b) Can you confirm there are no gaps or deviation identified between the latest SFC Guidelines for Securities Margin Financing and your current margin policy and practice?

(D2c) **If "No" is selected for question (D2b), please provide supplementary information to explain*.**

(D3) **Defective Securities Risk Associated With Deposit Of Physical Certificates [Note 5]** - ***Applicable to HKSCC Clearing Participants and Custodian Participants***

(D3a) Does your firm accept deposit of physical certificates?

(D3b) If "Yes" is selected for question (D3a), does your firm deposit any physical securities by way of "immediate credit" during the review period?

(D3c) If "Yes" is selected for question (D3a), does your firm foresee any consumption of immediate credit in the coming 12 months?

(D3d) If "Yes" is selected for question (D3b) or (D3c), does your firm have controls to manage the risk in utilizing or selling the shares with "immediate credit" before physical certificates are confirmed good and valid?

(D3e) **If "Yes" is selected for question (D3d), please specify the measures*.**

(D3f) **If "No" is selected for question (D3d), please explain why there is no measure in place to manage the risk mentioned in question (D3d)*.**

(D4) **Settlement Operations And Liquidity** - ***Applicable to HKSCC Clearing Participants***

(D4a)	Does your firm have (1) a designated officer to monitor the rules updates and circulars and their follow-up and (2) a register to track and ensure all the rules updates and circulars issued by HKSCC are distributed and assessed for any actions needed to ensure all relevant rules updates and circulars issued by HKSCC are monitored?	
(D4b)	Does your firm have a procedures or tools (e.g. checklist/system dashboard) with maker-checker signoff over key settlement steps (with timelines clearly set out for each step) to ensure all relevant officers strictly follow the prescribed timeline to facilitate smooth operation of settlement process?	
(D4c)	If "Yes" is selected for question (D4b), please confirm you have attached a latest version of the checklist/dashboard to this submission.	
(D4d)	Does your firm have a liquidity management process, which includes: (1) a process at day-end to forecast your Clearing House settlement obligations (of all applicable settlement currencies, including foreign currencies e.g. CNY and USD) on next day, (2) the checking of the forecast figures against the balance in the bank account designated for settlement purpose, and (3) the established notification, escalation and handling procedure when there is a funding shortfall?	
(D4e)	Does your firm have account(s) at other broker(s) with same clearing partcipantship(s) as a backup arrangement to execute and clear trades?	
(D4f)	If "Yes" is selected for question (D4e), please specify the name of the broker(s).	
(D4g)	Does your firm from time to time choose to make cash prepayment to HKSCC in order to make immediate use of securities on settlement day?	
(D4h)	If "Yes" is selected for question (D4g), does your firm set up Cash Prepayment Standing Instruction authorising CCASS to generate recurring Cash Prepayment Instructions on behalf of your firm on each Settlement Day?	
(D4i)	For large client sell trade orders, does your firm have clear procedures on placing specific securities collateral to manage the marks/margin obligation in case of volatile market?	
(D4j)	For large client buy trade orders, does your firm have clear procedures on placing specific cash collateral to manage the marks/margin obligation in case of volatile market?	
(D4k)	**If "No" is selected for questions from (D4a) to (D4e) or from (D4h) to (D4j), please provide supplementary information to explain*.**	

** If there is insufficient space to answer, please specify the supplementary file that should be referred to and see Part B in "Instructions" for details on how to submit supplementary files.*

[Note 5]: Please note that defective securities risk exists when physical certificates deposited by Clearing Participants are found to be defective upon share registration via the Registrar. Please refer to CCASS Operational Procedures – Section 7 (in particular, 7.2.2 Participant's responsibility for defective Eligible Securities and 7.2.3 Immediate Credit.)

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ANNUAL ATTESTATION AND INSPECTION PROGRAMME 2022
SELF-ATTESTATION OF COMPLIANCE QUESTIONNAIRE

SECTION 2C - RISK MANAGEMENT (III)

(This section is applicable to :
(i) Clearing Participants and General Clearing Participants of HKCC; and
(ii) Direct Clearing Participants and General Clearing Participants of SEOCH)

Clearing House	HKCC,HKSCC,SEOCH
Clearing/Custodian Participant Name	
Review Period	From 1 Jan 2021 To 31 Mar 2022

(E1) **Position and Exposure Control (Derivatives Business)** - *Applicable to HKCC/SEOCH Clearing Participants*

(E1a) Does your firm impose trading/position limit on clients to control the risk at client level?

(E1b) Does your firm impose aggregate position limit to control the risk at firm level?

(E1c) If "Yes" is selected for question (E1b), please specify your aggregate limit (in million HKD) as at the end of the latest quarter.

(E1d) If "Yes" is selected for question (E1b), please specify your aggregate limit (in times of liquid capital) as at the end of the latest quarter.

(E1e) Is the monitoring of clients' positions against the position limits mentioned in questions (E1a) and (E1b) performed automatically by system and on a real-time basis?

(E1f) Is there any regular review mentioned in questions (E1a) and (E1b) of the limit after it has been granted?

(E1g) **If "No" is selected for questions (E1a), (E1b), (E1e) or (E1f), please provide supplementary information to explain*.**

(E1h) Please describe the actions your firm takes to estimate and prepare for the potential margin increase in case the market is volatile.

(E1i) Taking the week of 15 Mar 2022 as an example, did your firm monitor the circular issued on the review of margin rates and take timely actions, in order to enable your clients/your company to arrange sufficient funding to meet the coming margin requirement?

(E1j) If "Yes" is selected for question (E1i), please describe the action your firm has taken to ensure there is sufficient funding to meet the coming margin requirement.

(E1k) **If "No" is selected for question (E1i), please provide supplementary information to explain*.**

(E2) **Stress Loss and Market Risk Analysis** - *Applicable to HKCC/SEOCH Clearing Participants*

(E2a) Does your firm's trading products include non-linear products (e.g. index and stock options)?

(E2b) Does your firm conduct stress loss analysis (to project the amount of loss it would incur assuming there are client default(s) under stress scenario and identify the product series/types (e.g. by expiration and moneyness) that contribute most to the stress loss) on clients' positions? If yes, please provide the latest stress loss report conducted during the review period in supplementary information.

(E2c) **If "Yes" is selected for question (E2a), and "No" is selected for question (E2b), please provide supplementary information to explain*.**

If "Yes" selected for question (E2b), please answer questions (E2d) to (E2k).

(E2d) Is the officer conducting the stress loss analysis above being independent of the trading or dealing operations?

(E2e) Is the stress loss analysis above conducted at least on a weekly basis?

(E2f) If "No" is selected for question (E2e),what is the frequency of analysis?

(E2g) In the most stressed scenario of the analysis, is the underlying movements for index options and stock option being equal to or higher than ±20% and ±22% respectively?

(E2h) Please confirm that you have attached a sample of the stress report.

(E2i) Is there a stress loss appetite specified in your stress testing framework?

(E2j) **If "Yes" is selected for question (E2i), please describe your stress loss appetite*.**

(E2k) **If "No" is selected for questions (E2d), (E2e), (E2g), (E2h), or (E2i), please provide supplementary information to explain*.**

(E3) **Specific Control (CBPL - T Session)** - *Applicable to HKCC/SEOCH Clearing Participants*

(E3a) Does your firm have continuous position monitoring in place to ensure that the activity will not exceed the Capital Based Position Limit ("CBPL")?

(E3b) **If "No" is selected for question (E3a), please provide supplementary information to explain*.**

(E4) **Specific Control (After Hour Trading Session) ("CBPL & Post Trade Operations - AHT")** - *Applicable to HKCC Clearing Participants*

(E4a) Does your firm participate in trading and clearing during AHT session?

If "Yes" selected for question (E4a), please answer questions (E4b) to (E4y).

(E4b) How many officers are stationed in office to monitor trades and manage collateral deficits during AHT session?

(E4c) Please confirm you understand that a breach of CBPL is considered an event of default.

(E4d) Does your firm have continuous position monitoring in place to ensure the activity will not exceed the CBPL?

If "Yes" is selected for question (E4d), please answer questions (E4e) to (E4g).

(E4e) Is the continuous monitoring performed by system and an aggregate pre-trading limit (internal trigger) is assigned to stop the placing of further trades?

(E4f) If "No" is selected for question (E4e), is the continuous monitoring performed by system and further action will be taken once the trades reach an internal trigger level (e.g. 80% of CBPL)?

(E4g) If "No" is selected for question (E4f), is monitoring performed by night desk staff and further action will be taken once the trades reach an internal trigger level (e.g. 80% of CBPL)?

If "No" is selected for question (E4d), please answer questions (E4h) to (E4i).

(E4h) Is there any non-continuous position monitoring in place?

(E4i) If "Yes" is selected for question (E4h), please state the frequency of monitoring.

(E4j) **If "No" is selected for questions (E4g) or (E4h), please provide supplementary information to explain and your enhancement plan*.**

(E4k) Does your firm have a regular schedule of conducting post-trade operations (including net down and margin offset claim) of client's AHT trades between 7:30 am – 8:45 am?

(E4l) If "No" selected for question (E4k), does your firm only conduct post-trade operations (including net down and margin offset claim) of client's AHT trades between 7:30 am – 8:45 am when the number of trades reach a certain threshold?

If "Yes" is selected for question (E4l), please answer questions (E4m) to (E4o).

(E4m) • the threshold

(E4n) • the person responsible to check the position against the threshold

(E4o) • the exact time for conducting the checking

(E4p) **If "No" is selected for questions (E4k) and (E4l), please provide supplementary information to explain*.**

(E4q) Is there an internal limit in place to limit the aggregate number of contracts that all clients can trade?

(E4r) If "Yes" is selected for question (E4q), please state the internal limit.

(E4s) **If "No" is selected for question (E4q), please provide supplementary information to explain*.**

(E4t) Does your company have liquidity buffer or overdraft facility to meet the call amount for mandatory intra-day variation adjustment and margin (MMC) if there is a significant market movement on T+1?

If "Yes" is selected for question (E4t), please answer questions (E4u) to (E4x).

(E4u) • the liquidity buffer amount (in HKD million)

(E4v) • the overdraft facility size (in HKD million)

(E4w) • the number of contracts and the market movement your firm expect to withstand (e.g. 5,000 HSI Futures with ±13% market movement)

(E4x) • please confirm that internal limit in (E4r) is within your risk appetite set out in (E4w).

(E4y) **If "No" is selected for any questions from (E4t) or (E4x), please provide supplementary information to explain*.**

(E5) **Specific Control on Client Offset Claim Account ("COCA")** - *Applicable to HKCC/SEOCH Clearing Participants*

(E5a) Does your firm have standard policies and procedures for margin offset claim in place for HKCC (Please select "Not Applicable" if your firm is not a HKCC Clearing Participant)?

(E5b) Does your firm have standard policies and procedures for margin offset claim in place for SEOCH (Please select "Not Applicable" if your firm is not a SEOCH Clearing Participant)?

(E5c) **If "No" is selected for any questions from (E5a) to (E5b), please provide supplementary information to explain*.**

(E5d) Is the daily COCA margin offset claim performed by system automatically?

(E5e) **If "No" is selected for question (E5d), please specify the procedures for handling daily COCA margin offset claim*.**

Does your firm have a designated individual to review and approve the details of positions in COCA to ensure they are in compliance with HKCC Procedures 2.2.6.3 and SEOCH Procedures 9.3.1?

(E5f) • All positions claimed are eligible pairs as per HKCC Procedures 2.2.6.3 / SEOCH Procedures 9.3.1

(E5g) • Each eligible pair belongs to the same beneficial owner

(E5h) **If "No" is selected for any questions from (E5f) to (E5g), how does the management ensure that the claims are in compliance with HKCC Procedures 2.2.6.3 and SEOCH Procedures 9.3.1? Please specify the alternative arrangement*.**

(E5i) Does your firm allocate positions to COCA for margin offset claim purpose during the review period for HKCC (Please select "Not Applicable" if your firm is not a HKCC Clearing Participant)?

(E5j) Does your firm allocate positions to COCA for margin offset claim purpose during the review period for SEOCH (Please select "Not Applicable" if your firm is not a SEOCH Clearing Participant)?

If "Yes" is selected for any questions from (E5i) to (E5j), please provide the approximate number of clients involved as at the end of the review period:

(E5k) • HKCC

(E5l) • SEOCH

Please review five days of trading (the five days being 31 Mar 2022 plus the four trading days with largest gross position in the review period) and confirm the net-down is performed correctly with the COCA requirement under HKCC Procedures 2.2.6.3 and SEOCH Procedures 9.3.1. The review should be conducted by a party (e.g. internal control, compliance or internal audit) other that the officer performing the net-down.

(E5m) Does your firm identify any inaccuracies in COCA position allocation after review?

(E5n) **If "Yes" is selected for question (E5m), please specify the root cause and the rectification actions. Please also specify the completion date of such rectification actions*.**

(E5o) **If the rectification actions above cannot be implemented immediately, please also set out interim measures to ensure COCA compliance*.**

(E5p) Please confirm that you have attached the supporting (including the trade record) of the review conducted in (E5m) with this attestation questionnaire for record. The attachment should enable us to conduct sample checks on the accuracy of the net-down operations on any of the sample days.

(E6) **Settlement Operations And Liquidity** - ***Applicable to HKCC/SEOCH Clearing Participants***

(E6a) Does your firm have (1) a designated officer to monitor the rules updates and circulars and their follow-up and (2) a register to track and ensure all the rules updates and circulars issued by HKCC/SEOCH are distributed and assessed for any actions needed to ensure all relevant rules updates and circulars issued by HKCC/SEOCH are monitored?

(E6b) Does your firm have a procedures or tools (e.g. checklist/system dashboard) with maker-checker signoff over key settlement steps (with timelines clearly set out for each step) to ensure all relevant officers strictly follow the prescribed timeline to facilitate smooth operation of settlement process?

(E6c) If "Yes" is selected for question (E6b), please confirm that you have attached the latest version of the checklist/dashboard to this submission.

(E6d) Does your firm have a liquidity management process, which includes (1) to forecast your Clearing House settlement obligations (of all applicable settlement currencies, including foreign currencies e.g. CNY and USD) on next day, (2) the checking of the forecast figures against the balance in the bank account designated for settlement purpose, and (3) the established notification, escalation and handling procedure when there is a funding shortfall?

(E6e) Does your firm have account(s) at other broker(s) with same clearing partcipantship(s) as a backup arrangement to execute and clear trades?

(E6f) If "Yes" is selected for question (E6e), please specify the name of the broker(s).

(E6g) **If "No" is selected for any questions from (E6a) to (E6e), please provide supplementary information to explain*.**

(E7) **Specific Control (Holiday Trading)** - ***Applicable to HKCC Clearing Participants***

(E7a) Is your firm a Holiday Trading Clearing Participant?

If "Yes" is selected for question (E7a), please answer questions (E7b) to (E7f).

(E7b) Please confirm there is sufficient staff with e-banking authorisation on duty on Holiday trading days to support funding transfer and bank balance enquiry if needed.

(E7c) Does your firm have the process of arranging pre-funding on H-1 day, and making deposit instructions of liquidity buffer to CCMS before 11am on H-1 day, in order to meet the clearing obligations on H day(s)?

(E7d) Does your firm have the process of arranging liquidity buffer in USD (or other currencies needed) on H-1 day?

(E7e) Does your firm have the credit facilities (including bank or intra group facilities) in place to support funding need on meeting clearing obligations and ensure the facilities can be utilised on H day(s) and support drawdown in USD (or other currencies needed)?

(E7f) **If "No" is selected for any questions from (E7b) to (E7e), please provide supplementary information to explain*.**

** If there is insufficient space to answer, please specify the supplementary file that should be referred to and see Part B in "Instructions" for details on how to submit supplementary files.*

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SECTION 3 - CLEARING RULES OBLIGATIONS

(This section is applicable to:
(i) Direct Clearing Participants, General Clearing Participants and Custodian Participants of HKSCC;
(ii) Clearing Participants and General Clearing Participants of HKCC; and
(iii) Direct Clearing Participants and General Clearing Participants of SEOCH)

Clearing House	HKCC,HKSCC,SEOCH
Clearing/Custodian Participant Name	
Review Period	From 1 Jan 2021 To 31 Mar 2022

HKSCC

Questions of section (F1) to (F4) are applicable if you have selected "Yes" for question (C1a) or (C1b). - ***applicable to HKSCC Clearing Participants and HKSCC Custodian Participants***

(F1)	**Does your firm comply with the following CCASS Rules and CCASS Operational Procedures?**	
(F1a)	Continuing obligations (CCASS Rule 1703)	
(F1b)	Did your firm provide any custodian services for both Uncertificated Eligible Securities and China Connect Securities during the review period?	
(F1c)	• If "Yes" is selected for question (F1b), please specify whether your firm complies with the applicable law(s) regarding the title or interest in and entitlements to Uncertificated Eligible Securities and/or China Connect Securities (CCASS Rules 823 to 824 and CCASS Operational Procedures – Section 7.14)	
(F2)	**Does your firm have the controls in place to ensure fulfilment of the following CCASS Rules and CCASS Operational Procedures?**	
(F2a)	Did your firm access or install CCASS Terminals and Participant Gateways from outside office premises or from a foreign jurisdiction (CCASS Rules 704 and 3901 to 3904)?	
(F2b)	• If "Yes" is selected for question (F2a), please specify whether your firm has the controls to ensure compliance with CCASS Rule 704 and 3901 to 3904 in regard to access and installation of CCASS Terminals and Participant Gateways from outside office premises or from a foreign jurisdiction?	
(F2c)	Controls in holding Eligible Securities in its Stock Accounts with CCASS until the conclusion of the relevant meeting (CCASS Operational Procedures - Section 8.6.4 (ii))	
(F2d)	Controls in obtainment of written consent from the relevant clients before acting on their behalf (CCASS Rule 904)	
(F2e)	Controls in immediately report in writing of any late delivery or payment by a counterparty Participant in respect of an Isolated Trade (CCASS Rule 3404). CCASS Rule 3404 is applicable whether or not your firm engaged in any Isolated Trades during the review period. *(This question is not applicable to Custodian Participants)*	
(F2f)	Controls in exemption from Buy-in (CCASS Operational Procedures - Section 10.8.3). CCASS Operational Procedures - Section 10.8.3 is applicable whether or not your firm engaged in any exemption from Buy-in during the review period. *(This question is not applicable to Custodian Participants)*	
(F2g)	**If "No" is selected for questions (F1a), (F1c), (F2b), (F2c), (F2d), (F2e), or (F2f), please provide supplementary information to explain.***	

(F3)	**Arrangements with Settlement Agent**	
(F3a)	Does your firm appoint any Settlement Agent who conducts settlement and other activities in CCASS on behalf of your firm (CCASS Rule 3801) during or after the review period?	

If "Yes" is selected for question (F3a), please answer questions (F3b)-(F3d).

(F3b)	Does your firm comply with all relevant obligations in connection with your Settlement Agent (CCASS Rule 3802)?	

(F3c) Did your Settlement Agent access or install CCASS Terminals and Participant Gateways from outside office premises or from a foreign jurisdiction (CCASS Rules 704 and 3901 to 3904)?

(F3d) • If "Yes" is selected for question (F3c), please specify whether your firm has the controls to ensure your Settlement Agent complies with CCASS Rule 704 and 3901 to 3904 in regard to access and installation of CCASS Terminals and Participant Gateways from outside office premises or from a foreign jurisdiction?

(F3e) **If "No" is selected for questions (F3b) or (F3d), please provide supplementary information to explain.***

(F4) **China Connect Securities Clearing**

(F4a) Is your firm a registered China Connect Clearing Participant during or after the review period? (Please select "No" for this question if your firm is a China Connect Exchange Participant and/or Trade-through Exchange Participant, but not registered as a China Connect Clearing Participant)?

If "Yes" is selected for question (F4a), please answer questions (F4b).

(F4b) Does your firm comply with the Forced-sale Notice procedures (CCASS Rule 4110(iv))?

(F4c) **If "No" is selected for question (F4b), please provide supplementary information to explain.***

HKCC

Questions of section (F5) to (F7) are applicable if you have selected "Yes" for question (C1c) - *applicable to HKCC Clearing Participants*

(F5) Does your firm comply with the HKCC Continuing Obligations (HKCC Rule 214)?

(F6) Does your firm have controls in place to ensure maintenance of all Accounts in DCASS in accordance with the natures of trades and positions of each clearing account type provided by HKCC (HKCC Procedures - Section 1.2)?

(F6a) **If "No" is selected for questions (F5) or (F6), please provide supplementary information to explain.***

(F7) Does your firm conduct any market making activities [Note 6], or has entered into market making arrangement [Note 7] with its clients during the review period?

If "Yes" is selected for question (F7), please answer questions (F7a) - (F7b).

(F7a) Are there any trades or positions in Contracts that are conducted without a Market Maker permit by your firm or your clients being recorded in the Market Maker Account(s)?

(F7b) Are there any trades or positions in Contracts that are conducted with a Market Maker permit by your firm or your clients, but not arising from market making activities (i.e. activities conducted in order to satisfy the Market Making requirements for the relevant Contract such as responding to quote requests, providing continuous quotes etc.), being recorded in the Market Maker Account(s)?

(F7c) **If "Yes" is selected for any questions from (F7a) to (F7b), please elaborate and provide supplementary information concerning the non-compliance of / control deficiencies in complying with the relevant HKCC Procedures (HKCC Procedures - Section 1.2.5).***

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SEOCH

Questions of section (F8) to (F10) are applicable if you have selected "Yes" for question (C1d) - *applicable to SEOCH Clearing Participants*

(F8)	Does your firm comply with the SEOCH Continuing Obligations (SEOCH Rules 401 and 403)?	
(F9)	**Does your firm have controls in place to ensure fulfilment of the following SEOCH Rules and SEOCH Procedures?**	
(F9a)	Controls in maintaining all DCASS Accounts in accordance with the natures of trades and positions of each clearing account type provided by SEOCH (SEOCH Procedures – Section 1.5.1)	
(F9b)	Did your firm maintain any Individual Client Account during the review period?	
(F9c)	• If "Yes" is selected for question (F9b), please specify whether your firm has controls in ensuring that Individual Client Accounts are in agreement with the SEOCH Participant's records of their clients' option trading (SEOCH Procedures - Section 5.6)	
(F9d)	Did your firm carry any trade and position in respect of Options Broker Exchange Participants' Transactions as the carrying SEOCH Participant?	
(F9e)	• If "Yes" is selected for question (F9d), please specify whether your firm has controls in maintaining Options Broker Exchange Participants' Individual Client Account(s) (SEOCH Procedures - Sections 1.8, 1.8.1 and 1.8.2)	
(F9f)	Controls in providing valid reasoning for external position adjustment requested (SEOCH Procedures - Section 5.5)	
(F9g)	Controls in Assignment Mechanism for your firm or on behalf of your firm's clients (SEOCH Procedures - Section 6.2.1)	
(F9h)	Did your firm offer securities collateral services during the review period?	
(F9i)	• If "Yes" is selected for question (F9h), please specify whether your firm has control to ensure sufficient securities collateral balance is available in your firm's CCMS Collateral Account for covering short call positions before effecting the cover requests via DCASS (SEOCH Procedures - Section 7.2.4)	
(F9j)	**If "No" is selected for (F8), (F9a), (F9c), (F9e), (F9f), (F9g) or (F9i), please provide supplementary information to explain.***	
(F10)	Does your firm conduct any market making activities [Note 6], or has entered into market making arrangement [Note 7] with its clients during the review period?	

If "Yes" is selected for question (F10), please answer questions (F10a) - (F10b).

(F10a)	Are there any trades or positions in Contracts that are conducted without a Market Maker permit by your firm or your clients being recorded in the Market Maker Account(s)?	
(F10b)	Are there any trades or positions in Contracts that are conducted with a Market Maker permit by your firm or your clients, but not arising from market making activities (i.e. activities conducted in order to satisfy the Market Making requirements for the relevant Contract such as responding to quote requests, providing continuous quotes etc.), being recorded in the Market Maker Account(s)?	
(F10c)	**If "Yes" is selected for any questions from (F10a) to (F10b), please elaborate and provide supplementary information concerning the non-compliance of / control deficiencies in complying with the relevant SEOCH Procedures (SEOCH Procedures - Section 1.5.1).***	

[Note 6]: *Market making activities refers to the activities conducted in order to satisfy the Market Making requirements for the relevant Contract such as responding to quote requests, providing continuous quotes. Accordingly, the trades and positions in Contracts without a Market Maker permit (i.e. not being arising from market making activities), are not allowed to be recorded in the Market Maker Account.*
[Note 7]: *Market making arrangement refers to an arrangement between a Market Maker and a corporate entity under which the corporate entity has agreed to perform market making activities in a Market for which the Market Maker has been granted a Market Maker permit by the Exchange.*
** If there is insufficient space to answer, please specify the supplementary file that should be referred to and see Part B in "Instructions" for details on how to submit supplementary files.*

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SELF-ATTESTATION OF COMPLIANCE QUESTIONNAIRE

SECTION 4 - PRESCRIBED RISK CONTROLS (Systems #1 to #3)

(This section is applicable to HKFE Participants and SEHK Stock Options Exchange Participants only)

Exchange	HKFE,StockOption
Exchange Participant Name	
Review Period	From 1 Jan 2021 To 31 Mar 2022

- This section comprises three repeated sets of the questions, with each set consisting of six questions.
- Please fill in one set of questions (e.g., questions (G1) to (G6)) for each trading system sending orders through your firm's OAPI Program(s).
- You can fill in for up to three trading systems in the questionnaire (i.e. questions (G1) to (G18)). If you have more than three trading systems, please use the supplementary template (i.e. "Template for Section 4 Prescribed Risk Controls.pdf").
- Please take note that you do not have to fill in the questionnaire for your HKATS Online.

In relation to compliance with the requirements set out in Rule HKFE 807A and/or OTR 505 on the use of HKATS, and in the circular "Mandatory Periodic OAPI Program Re-Certification" dated 22 January 2020 (ref. No.: MO/DT/010/20), please complete the following questions:

SYSTEM #1

(G1) **Trading Arrangements**

(G1a) Please specify the name and version of the trading system and the connected OAPI Program(s) used by your firm as at the end of the review period.

Please specify in (G1b) to (G1f) the usage of trading system

(G1b) Manual trading system (order entered by person)

(G1c) Algorithmic trading system (order generated by program)

(G1d) Futures products only trading system

(G1e) Options products only trading system

(G1f) Futures and Options products trading system

(G2) **Pre-trade Controls set in the trading system (Not HKATS PTRM system)**

(G2a) Does your firm set any Pre-trade Quantity Limit Control?

(G2b) Does your firm set any Pre-trade Price Deviation Control?

If "Yes" is selected for question (G2b), please specify in (G2c) to (G2f) whether the Price Deviation Control checks order prices against:

(G2c) • Real-time prices

(G2d) • Theoretical prices

(G2e) • Others (please specify in question (G2f) below)

(G2f) **If "Yes" is selected for question (G2e), please provide supplementary information. ***

(G2g) Does your firm set any Pre-trade Exposure Limit Control? (Limit control based on value)

(G2h) Does your firm set any Pre-trade Position Limit Control? (Limit control based on number of contracts)

(G2i) **If "No" are selected for questions (G2a), (G2b), (G2g) and (G2h), please provide supplementary information to explain why no pre-trade control is set in the trading system.***

(G3) **At-trade Controls set in the trading system (Not HKATS PTRM system) [Note 8]**

(G3a) Does your firm set any At-trade Exposure Limit Control? (Limit control based on value)

(G3b) Does your firm set any At-trade Position Limit Control? (Limit control based on number of contracts)

(G4) **Other controls set in the trading system**

(G4a) Does your firm set any Message Throttle Control?

(G4b) Does your firm set any Execution Throttle Control? [Note 9]

(G4c) Does your firm set Kill Switch Control? [Note 10]

(G4d) Please specify all other relevant risk controls, if any.

(G5) **Control for algorithmic orders (For algorithmic trading system only)**

If "Yes" is selected in question (G1c), please answer questions (G5a) – (G5c).

(G5a) Does your firm set any automatic control to prevent trading flows which significantly deviate from historical or expected trading patterns of the algorithm?

(G5b) Does your firm set any automatic control to prevent trading that deviates from the futures or options product's average daily volume?

(G5c) **If "No" are selected for questions (G5a) and (G5b), please provide supplementary information to explain how does your firm prevent the generation of algorithmic orders which might adversely affect market integrity in case of program error.***

(G6) **Testing**

(G6a) Does your firm conduct any function tests of the risk control measures (including pre-trade controls, post-trade controls, and other relevant controls) before a new version of trading system is released to the production environment?

(G6b) **If "No" is selected for question (G6a), please explain why the risk control measures had not been tested, and how does your firm ensure that the risk control measures in the new version of trading system are functioning properly? ***

(G6c) Please provide the latest date of certification test on your firm's OAPI program.

SYSTEM #2

(G7) **Trading Arrangements**

(G7a) Please specify the name and version of the trading system and the connected OAPI Program(s) used by your firm as at the end of the review period.

Please specify in (G7b) to (G7f) the usage of trading system

(G7b) Manual trading system (order entered by person)

(G7c) Algorithmic trading system (order generated by program)

(G7d) Futures products only trading system

(G7e) Options products only trading system

(G7f) Futures and Options products trading system

(G8) **Pre-trade Controls set in the trading system (Not HKATS PTRM system)**

(G8a) Does your firm set any Pre-trade Quantity Limit Control?

(G8b) Does your firm set any Pre-trade Price Deviation Control?

If "Yes" is selected for question (G8b), please specify in (G8c) to (G8f) whether the Price Deviation Control checks order prices against:

(G8c) • Real-time prices

(G8d) • Theoretical prices

(G8e) • Others (please specify in question (G8f) below)

(G8f) **If "Yes" is selected for question (G8e), please provide supplementary information. ***

(G8g) Does your firm set any Pre-trade Exposure Limit Control? (Limit control based on value)

(G8h) Does your firm set any Pre-trade Position Limit Control? (Limit control based on number of contracts)

(G8i) **If "No" are selected for questions (G8a), (G8b), (G8g) and (G8h), please provide supplementary information to explain why no pre-trade control is set in the trading system.***

(G9) **At-trade Controls set in the trading system (Not HKATS PTRM System) [Note 8]**

(G9a) Does your firm set any At-trade Exposure Limit Control? (Limit control based on value)

(G9b) Does your firm set any At-trade Position Limit Control? (Limit control based on number of contracts)

(G10) **Other controls set in the trading system**

(G10a) Does your firm set any Message Throttle Control?

(G10b) Does your firm set any Execution Throttle Control? [Note 9]

(G10c) Does your firm set Kill Switch Control? [Note 10]

(G10d) Please specify all other relevant risk controls, if any.

(G11) **Control for algorithmic orders (For algorithmic trading system only)**

If "Yes" is selected in question (G7c), please answer questions (G11a) – (G11c).

(G11a) Does your firm set any automatic control to prevent trading flows which significantly deviate from historical or expected trading patterns of the algorithm?

(G11b) Does your firm set any automatic control to prevent trading that deviates from the futures or options product's average daily volume?

(G11c) **If "No" are selected for questions (G11a) and (G11b), please provide supplementary information to explain how does your firm prevent the generation of algorithmic orders which might adversely affect market integrity in case of program error.***

(G12) **Testing**

(G12a) Does your firm conduct any functional tests of the risk control measures (including pre-trade controls, post-trade controls, and other relevant controls) before a new version of trading system is released to the production environment?

(G12b) **If "No" is selected for question (G12a), please explain why the risk control measures had not been tested, and how does your firm ensure that the risk control measures in the new version of trading system are functioning properly? ***

(G12c) Please provide the latest date of certification test on your firm's OAPI program.

SYSTEM #3

(G13) **Trading Arrangements**

(G13a) Please specify the name and version of the trading system and the connected OAPI Program(s) used by your firm as at the end of the review period.

Please specify in (G13b) to (G13f) the usage of trading system

(G13b) Manual trading system (order entered by person)

(G13c) Algorithmic trading system (order generated by program)

(G13d) Futures products only trading system

(G13e) Options products only trading system

(G13f) Futures and Options products trading system

(G14) **Pre-trade Controls set in the trading system (Not HKATS PTRM system)**

(G14a) Does your firm set any Pre-trade Quantity Limit Control?

(G14b) Does your firm set any Pre-trade Price Deviation Control?

If "Yes" is selected for question (G14b), please specify in (G14c) to (G14f) whether the Price Deviation Control checks order prices against:

(G14c) • Real-time prices

(G14d) • Theoretical prices

(G14e) • Others (please specify in question (G14f) below)

(G14f) **If "Yes" is selected for question (G14e), please provide supplementary information. ***

(G14g) Does your firm set any Pre-trade Exposure Limit Control? (Limit control based on value)

(G14h) Does your firm set any Pre-trade Position Limit Control? (Limit control based on number of contracts)

(G14i) **If "No" are selected for questions (G14a), (G14b), (G14g) and (G14h), please provide supplementary information to explain why no pre-trad control is set in the trading system.***

(G15) **At-trade Controls set in the trading system (Not HKATS PTRM system) [Note 8]**

(G15a) Does your firm set any At-trade Exposure Limit Control? (Limit control based on value)

(G15b) Does your firm set any At-trade Position Limit Control? (Limit control based on number of contracts)

(G16) **Other controls set in the trading system**

(G16a) Does your firm set any Message Throttle Control?

(G16b) Does your firm set any Execution Throttle Control? [Note 9]

(G16c) Does your firm set Kill Switch Control? [Note 10]

(G16d) Please specify all other relevant risk controls, if any.

(G17) **Control for algorithmic orders (For algorithmic trading system only)**

If "Yes" is selected in question (G13c), please answer questions (G17a) – (G17c).

(G17a) Does your firm set any automatic control to prevent trading flows which significantly deviate from historical or expected trading patterns of the algorithm?

(G17b) Does your firm set any automatic control to prevent trading that deviates from the futures or options product's average daily volume?

(G17c) **If "No" are selected for questions (G17a) and (G17b), please provide supplementary information to explain how does your firm prevent the generation of algorithmic orders which might adversely affect market integrity in case of program error.***

(G18) **Testing**

(G18a) Does your firm conduct any functional tests of the risk control measures (including pre-trade controls, post-trade controls, and other relevant controls) before a new version of trading system is released to the production environment?

(G18b)	**If "No" is selected for question (G18a), please explain why the risk control measures had not been tested, and how does your firm ensure that the risk control measures in the new version of trading system are functioning properly? ***	
(G18c)	Please provide the latest date of certification test on your firm's OAPI program.	

- END -

** If there is insufficient space to answer, please specify the supplementary file that should be referred to and see Part B in "Instructions" for details on how to submit supplementary files.*

[Note 8]: At-Trade refers to an order that has been accepted to the Central Order Book in HKATS

[Note 9]: Execution Throttle Control refers to a risk control measure triggered when a pre-defined execution quantity threshold within a pre-defined threshold time period was exceeded.

[Note 10]: Kill Switch refers to a mechanism for the participant to cut off trading in an emergency.