

Consultation Conclusions

Faster. Together. Hong Kong's next steps to T+1



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DEFINITIONS

2H 2028	The second half of 2028
ADT	Average Daily Turnover
API	Application Programming Interface
AUC	Assets Under Custody
BSR	Batch-settlement-run, as defined under General Rules of HKSCC
CCASS	Central Clearing and Settlement System
CHATS	Clearing House Automated Transfer System
ChinaClear	China Securities Depository and Clearing Corporation Limited
CLS	Continuous Linked Settlement
CNS	Continuous Net Settlement
Consultation Paper	Accelerated Settlement for the Hong Kong Cash Market Consultation Paper, published by HKEX on 17 April 2026
CP(s)	HKSCC Clearing Participant(s)
DCASS	Derivatives Clearing and Settlement System
Discussion Paper	Accelerated Settlement for the Hong Kong Cash Market Discussion Paper, published by HKEX on 16 July 2025
DVP	Delivery Versus Payment
EU/EEA	European Union / European Economic Area
EP(s)	Exchange Participant(s)
ETF(s)	Exchange Traded Fund(s)
ETP(s)	Exchange Traded Product(s), which includes ETFs and Leveraged & Inverse Products
Ex-date	Ex-Dividend Date
FCS	Final Clearing Statement
FINI	Fast Interface for New Issuance
FMI	Financial Market Infrastructure

FOP	Free of Payment
FX	Foreign exchange
GCP(s)	HKSCC General Clearing Participant(s)
HKCAS	HK Conversion Agency Services Limited
HKEX	Hong Kong Exchanges and Clearing Limited
HKICL	Hong Kong Interbank Clearing Limited
HKMA	The Hong Kong Monetary Authority
HKSCC	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEX
IPO	Initial Public Offering
MIS	Management Information Systems
NCP(s)	Non-Clearing Participant(s)
OCP	Orion Cash Platform
OTC	Over-the-counter
PCS(s)	Provisional Clearing Statement(s)
Q4 2027	The fourth quarter of 2027
RTGS	Real-Time Gross Settlement
SBL	Securities Borrowing and Lending
SEHK	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of HKEX
SEOCH	The SEHK Options Clearing House Limited
SI(s)	Settlement Instruction(s)
SSI(s)	Standard Settlement Instruction(s)
T+1 / T+2 / T+'n'	Transaction settlement cycle in financial markets where the settlement occurs on the 1/2/'n' business day after T-day
T-day	Trade date
UK	United Kingdom

US	United States
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EXECUTIVE SUMMARY

Purpose

1. This paper sets out conclusions to the Exchange's Consultation Paper on the Accelerated Settlement for the Hong Kong Cash Market.

Background

2. Hong Kong's journey towards T+1 began with a simple proposition: what steps are required to ensure Hong Kong continues to compete and thrive as global markets evolve. As major international markets move towards accelerated settlement cycles, maintaining alignment with global standards has become an increasingly important consideration. Following extensive engagement with the market over the past year, our Consultation Paper, issued in April 2026, reinforced a clear message: T+1 is the right strategic direction for Hong Kong, but successful implementation will depend on careful preparation and collective action across the entire market ecosystem.
3. In recent years, major international markets have accelerated their settlement cycles to T+1 or committed to doing so, reflecting a broader global shift towards greater efficiency, lower settlement risk and improved capital utilisation. The United States, Canada and Mexico migrated to T+1 in May 2024, while the United Kingdom, EU/EEA and Switzerland plan to transition in October 2027. As an increasing proportion of global markets align around accelerated settlement, maintaining harmonisation with international settlement standards is becoming increasingly important to supporting the efficient flow of capital and preserving Hong Kong's competitiveness as a leading international financial centre.
4. Recognising these developments, HKEX launched a market-wide discussion on accelerated settlement through the publication of its Discussion Paper in July 2025, followed by the Consultation Paper in April 2026. Throughout this engagement, market participants broadly agreed that moving to T+1 represents the next logical evolution of Hong Kong's cash market and an important step in modernising the market's post trade infrastructure.
5. The consultation confirmed strong support for the strategic direction of T+1 and the benefits it can deliver, including lower settlement risk, improved capital efficiency and greater harmonisation with major international markets. At the same time, respondents consistently emphasised that a successful transition would require significant preparation across the market ecosystem, including operational processes, technology infrastructure, funding arrangements and cross-border workflows.
6. HKEX agrees that readiness must be the defining principle of implementation. Moving to T+1 is not simply a change to the settlement timetable. It is a market-wide transformation that requires coordinated action across brokers, custodians, asset managers, infrastructure providers and other stakeholders throughout the settlement value chain.
7. Reflecting the consultation feedback regarding the scale of preparation required for this market-wide upgrade, HKEX will target an implementation date in 2H 2028, subject to market readiness and regulatory approvals. Market readiness is targeted to be achieved by September 2028.
8. This strategic timeline provides the market with a vital preparation runway, but its success depends on immediate action and sustained accountability across the industry.

The Hong Kong T+1 journey now enters its implementation phase. While the target migration date is in 2028, preparation begins today.

9. Market participants should immediately begin to use this period to modernise internal processes, strengthen automation capabilities, secure the necessary resources and governance arrangements and address dependencies across the broader settlement ecosystem to support a smooth and orderly transition to T+1.
10. HKEX will work closely with market participants and relevant stakeholders to assess preparedness across key operational and ecosystem readiness areas. However, each market participant remains individually responsible for developing and executing its own readiness plan.
11. Key readiness focus areas will include, but are not limited to, T-day matching and settlement instruction readiness; automation and straight-through processing; standing settlement instructions and reference data; funding, liquidity and foreign exchange preparedness; policies, procedures and governance; and end-to-end market readiness.

Market Feedback

12. We received a total of 109 non-duplicated responses to the Consultation Paper from a wide spectrum of market segments, including:
 - 62 responses from HKEX Participants representing approximately 74.8% of market share by AUC and 65.1% of market share by ADT, respectively¹;
 - 21 responses from non-HKEX Participants including investment managers, global custodian and other corporate entities including system vendors, law firms and financial companies;
 - 13 responses from major industry associations representing both retail and institutional interests in the Hong Kong market, such as brokers, investors and other market participants based in Hong Kong, the Chinese Mainland and overseas; and
 - 13 responses from individuals, most of them being local retail investors in Hong Kong.

A full list of respondents is set out in **Appendix I**.

13. Respondents broadly expressed support for the proposed T+1 operating model as outlined in the Consultation Paper while providing further comments in this regard and noting broader industry ecosystem dependencies. The market has acknowledged the benefits of the T+1 settlement cycle. However, some respondents expressed concerns regarding the implementation timeline and have raised questions about further details on the implementation approach. A summary of feedback and our responses to the key comments are set out in Chapter 2.
14. Respondents highlighted several implementation considerations, including the need for sufficient preparation time, operational readiness across the settlement ecosystem, clarity on detailed workflows and coordination among market participants. HKEX has taken these comments into account in formulating this conclusions paper and will address the relevant feedback through targeted refinements to the proposed operating

¹ Market share in terms of assets under custody (AUC) and average daily turnover (ADT), excluding Stock Connect, as of April 2026 and Q1 2026 respectively. The market share statistics cited in this paper do not include the underlying member firms of industry associations, unless those firms also submitted responses directly to the consultation.

model, publication of relevant information and technical materials, coupled with a readiness-led implementation approach to support an orderly transition to the T+1 settlement cycle.

15. Given the importance of the Hong Kong T+1 being an industry-wide journey, HKEX will continue with industry engagement, systematically hosting interactive market briefings and facilitate establishing dedicated industry working groups with the active participation of the market. HKEX will also mandate clear implementation milestones and facilitate the publication of definitive market practice guidance and conduct intensive industry-wide testing alongside formal readiness assessments.
16. The summary conclusions are shown in **Appendix II** for easy reference.

Implementation

17. With the support received from the market feedback, HKEX will continue to work closely with market stakeholders to proceed with the implementation of the T+1 settlement cycle for the Hong Kong cash market. We believe this meaningful partnership not only enables a smooth transition to T+1, but also helps build a more resilient, efficient and future-proof market infrastructure.
18. Building on the consultation feedback, the involvement of both HKEX and the industry will continue to be emphasised as part of the T+1 initiative.
19. HKEX will adopt a three-layer implementation framework to support Hong Kong's transition to T+1:
 - **First**, in its role as market operator, **HKEX will enhance its post trade infrastructure and T+1 operating model** to support the end-to-end settlement lifecycle.
 - **Second**, based on the market's specific feedback, **HKEX will develop targeted workflow tools** to improve settlement readiness and operational efficiency where relevant.
 - **Third**, **industry will drive market practice development and stakeholder ecosystem engagement** to support readiness across the broader settlement ecosystem, with HKEX supporting such industry-led efforts.
20. These three layers are intended to facilitate an orderly and readiness-led transition to T+1.
21. To implement a smooth transition to the T+1 settlement cycle, HKEX has considered the interdependencies and impact to the end-to-end settlement lifecycle. To allow adequate preparation to meet the proposed implementation date, HKEX will continue to engage with market participants and investors throughout the implementation process, including through facilitating the development of industry-led guidance, publishing of technical specifications, developing end-to-end system testing arrangements, and progressing to develop targeted workflow tools to support settlement readiness and operational efficiency.
22. To support a readiness-led transition to T+1, HKEX will work closely with market participants and relevant stakeholders to assess preparedness across a number of key operational and ecosystem readiness areas. These areas will help inform implementation planning, industry testing and readiness assessments throughout the transition process, and provide an indication of the capabilities and arrangements expected to support a successful migration to T+1. Key readiness focuses areas include:
 - T-day matching and settlement instruction readiness

- Automation and straight-through processing
 - Standing settlement instructions and reference data
 - Funding, liquidity and FX preparedness
 - Policies, procedures and governance based on the T+1 settlement cycle
 - End-to-end market readiness for the T+1 operational timeline
23. For Southbound Stock Connect, consistent with the home market principle, the settlement cycle will align with that of the Hong Kong market and migrate to T+1. Southbound transactions will remain subject to the settlement arrangements of the Hong Kong market. HKEX will work closely with ChinaClear to ensure an orderly and smooth transition to T+1 settlement.
 24. Driven by the consultation feedback regarding the extensive preparation required for this market-wide upgrade, HKEX will target an implementation date in 2H 2028, subject to market readiness and regulatory approvals, with the implementation approach aimed at achieving market readiness by September 2028. This strategic timeline grants the market a vital preparation runway, but its success depends on immediate and proactive accountability from all industry stakeholders. HKEX expects market participants to leverage this additional timeframe to overhaul internal infrastructure, secure resource allocations, and manage ecosystem dependencies. We are fully committed to driving this transition forward, but an effective and orderly upgrade to a T+1 settlement cycle requires every individual firm to rigorously execute its own readiness plan.
 25. The implementation approach and timeline are discussed in Chapter 3 of this paper.
 26. HKEX appreciates the constructive feedback received during the consultation and remains committed to working closely with the market to enhance the efficiency, robustness and global competitiveness of Hong Kong's securities settlement framework.
 27. HKEX would like to take this opportunity to thank those who have shared their views and comments during the consultation process. The feedback has been invaluable in supporting the continued development of our securities market.
 28. Together, the proposed measures are intended to address key operational and ecosystem considerations identified by respondents and support an orderly and readiness-led transition to a T+1 settlement cycle. The principal thematic observations, HKEX's corresponding measures and their expected benefits to the market summarised as follows:

Summary of principal thematic observations, HKEX's corresponding measures and expected benefits

Thematic observations	Measures	Benefits to the market
Compression of the settlement timeline increases operational pressure across the post trade lifecycle	Enhance processing flexibility and provide earlier operational visibility - Extend SI input and matching window ① - Introduce additional FOP SI Batch-settlement-run ① - Introduce real-time SI matching through OCP ① - Advance the availability of risk report ① - Retain Form SD-1 submission deadline for stamp duty reporting ①	Greater flexibility, visibility and readiness under T+1 - Allow more time and flexibility for post trade processing - Support earlier identification and resolution of matching issues - Provide earlier visibility of risk obligations - Allow sufficient time for stamp duty validation and reporting
Structural ecosystem dependencies increase the importance of timely securities availability and effective settlement preparation	Provide targeted product and securities movement enhancements - Enhance automation of ETP primary market activities under Conversion Agent model through ETP platform ② - Facilitate ecosystem processes through infrastructural enhancements (e.g. introduce additional FOP Batch-settlement-run) ① - Facilitate the publication of ecosystem-specific industry guidance with market best practices ③	Improved operational efficiency and settlement preparedness across product ecosystems - Support greater standardisation and transparency in ETP ecosystem - Provide further clarity to the market on single stock options operating model - Through infrastructural enhancements, facilitate earlier securities availability for SBL and inventory management, and support timely securities sourcing and settlement preparation
Manual processes and inconsistent settlement data may constrain readiness in a compressed settlement cycle	Develop workflow tools and continue post trade infrastructure enhancements - API through OCP ① - Prioritise developing a Settlement Profile Repository to improve SSI data quality ② - Prioritise developing a Status Dashboard to enhance settlement status visibility ②	Earlier exception management, improved data quality and reduced manual processing - Improve the accuracy and accessibility of settlement profile information - Enhance settlement visibility, support more timely identification of settlement issues - Enable straight-through processing and reduce manual intervention to strengthen operational efficiency and resilience
Market coordination and sufficient	Adopt a coordinated, readiness-based implementation approach Target implementation in 2H 2028,	A more orderly and readiness-led transition to T+1

preparation time for implementation	subject to market readiness and regulatory approvals ① • Implement the transition through the three-layer approach ① • Publish information papers and technical specifications in stages ① • Assess readiness across key operational and ecosystem areas, based on critical readiness mandates ③ • Continuous market engagement and facilitate industry working groups ③	• Provide greater clarity on operating arrangements and implementation expectations • Support coordinated end-to-end preparation • Allow additional preparation time for market readiness
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Note:

① *Layer 1: HKEX-led initiatives*

② *Layer 2: HKEX-led initiatives with market contribution*

③ *Layer 3: Industry-led measures with HKEX contribution*

CHAPTER 1: INTRODUCTION

Approaching Hong Kong T+1 as an industry-wide journey – our progress so far

29. In response to ongoing developments in global securities markets and the move towards shorter settlement cycles in major international jurisdictions, HKEX published a Discussion Paper² in July 2025 to initiate a holistic and well-informed industry discussion on accelerated settlement in the Hong Kong cash market. This view from the industry affirms HKEX's belief that T+1 will be the next logical step of the Hong Kong cash market structure as we move from the current T+2 settlement cycle. Key excerpts are quoted from the Consultation Paper to iterate the direction and priorities ahead of T+1 implementation:

Excerpt from the Consultation Paper Chapter 2

(Paragraph 28) The industry is broadly supportive of accelerating the Hong Kong Cash Market settlement cycle to T+1. There is consensus that this move is essential for sustaining and enhancing Hong Kong's longstanding status as a leading global market. Maintaining harmonised settlement cycles will allow for the smooth flow of capital across markets globally.

...

(Paragraph 31) HKEX sees T+1 as the next practical step, whilst looking at same-day settlement as a longer-term possibility. Any transition to even shorter settlement cycles in the Cash Market should not take place before T+1.

(Paragraph 32) Our priority is to define a viable T+1 operating model with a robust transition plan, which addresses the below key considerations where appropriate. This approach will help ensure a smooth transition to T+1 while providing important insight into the implications of even faster settlement cycles for our future roadmap.

30. Subsequently, HKEX published the Consultation Paper³ in April 2026 to seek market views on the proposal to implement T+1 in the Hong Kong cash market, including a viable T+1 operating model with a robust transition plan as outlined in the excerpt above. Industry engagement underpins a key step in Hong Kong's T+1 transition. With details of the proposal set out, this marks an important step as we evolve to the next phase where the focus is on the 'how' and 'when' T+1 should take shape in the Hong Kong market.
31. With the core objective of modernising Hong Kong's post trade infrastructure and maintaining Hong Kong's competitiveness as an international financial centre, the consultation proposal outlines a T+1 operating model and implementation approach for

² [https://www.hkex.com.hk/-/media/HKEX-Market/News/News-Release/2025/250716news/HKEX-Accelerated-Settlement-Paper-2025-v10-EN-\(cover\).pdf](https://www.hkex.com.hk/-/media/HKEX-Market/News/News-Release/2025/250716news/HKEX-Accelerated-Settlement-Paper-2025-v10-EN-(cover).pdf)

³ <https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/April-2026-Accelerated-Settlement-for-the-Hong-Kong-Cash-Market/Consultation-Paper/cp202604.pdf>

market comment. The proposal takes into account the experience of other major markets that have transitioned or are undergoing transition, as well as specific considerations of the Hong Kong market (as illustrated below), to tailor a T+1 implementation and operating model.



The consultation proposal

32. The consultation proposal entails the following key features:

- Scope of T+1 includes all exchange trades in the secondary market, physical settlement of equities upon the exercise and assignment of stock options, primary market transactions of ETPs (i.e. creation and redemption) and their settlement arrangements⁴. It excludes primary transactions in the cash market (i.e. IPOs, Structured Products issuance and final settlement at expiry) and Chinese Mainland securities traded via the Northbound Stock Connect Programme.
- The consultation proposal sets out a proposed framework for the transition to a T+1 settlement cycle in the Hong Kong cash market, focusing on the end-to-end settlement lifecycle from trade execution through to final settlement. The proposal covers key post trade processes, including trade confirmation, clearing, settlement instruction processing, securities delivery, funds settlement and related post-settlement activities, with the objective of supporting an efficient and orderly transition to accelerated settlement.
- The consultation proposal includes the development of a workflow tool to support settlement preparation and operational efficiency under a T+1 environment. Initial priorities include a Settlement Profile Repository and the Status Dashboard, while HKEX will continue to engage market participants globally to refine requirements and assess appropriate use cases for broader market adoption.
- In developing the proposed T+1 operating model, HKEX has considered the practical implications across the broader market ecosystem and the interdependencies that exist throughout the trading and settlement value chain. This includes not only clearing and settlement arrangements within HKEX's remit, but also related processes in the industry ecosystem involving funding, FX and liquidity management, SBL activities, and cross-border investment workflows.

33. The proposal recognises that the successful implementation of T+1 will require the support of regulators and the relevant authorities, together with the coordinated readiness across a wide range of market participants and service providers. Driven by the consultation feedback regarding the extensive preparation required for this market-wide upgrade, HKEX will target an implementation date in 2H 2028, subject to market

⁴ Where full alignment is not operationally achievable, settlement timelines should move as close to T+1 as practicable.

readiness and regulatory approvals.

34. Accordingly, the proposal seeks to balance the benefits of accelerated settlement with the need to preserve market resilience, operational certainty and the competitiveness of Hong Kong.

A framework for T+1 industry collaboration, readiness and implementation

35. To quote the Consultation Paper Chapter 6 Paragraph 106: *“Changing the settlement cycle to T+1 will be an industry-wide journey. This is because settlement activities encompass (1) interactions between HKEX and the market participants and (2) interactions among market participants.”*
36. Hence, the transition to a T+1 settlement cycle will require coordinated enhancements across multiple layers of the post trade ecosystem. Through the Discussion Paper and Consultation Paper, respondents recognised that successful implementation extends beyond HKEX's core clearing and settlement infrastructure and requires broader market-wide readiness. Accordingly, HKEX has developed a three-layer implementation framework to support an orderly and readiness-led transition to T+1.
37. Layer 1: HKEX infrastructure enhancements: Within its scope as market operator, HKEX will continue to enhance its post trade infrastructure, services and T+1 operating model to support the end-to-end cash market settlement lifecycle. These enhancements are intended to improve operational efficiency, transparency and readiness under a T+1 settlement cycle.
38. Layer 2: Workflow tools: Feedback received through the Consultation Paper and subsequent industry engagement highlighted the potential value of a workflow tool in supporting specific aspects of T+1 preparation. HKEX therefore intends to develop targeted workflow tools to support market participants' preparation for T+1, including initiatives that enhance settlement profile accuracy across the industry, and promote digitalisation and standardisation of product-specific workflows.
39. Layer 3: Industry coordination and market practices: Many critical settlement-related processes take place directly among market participants and other stakeholders within the broader market ecosystem. To support market-wide readiness, industry participants and relevant stakeholders will take the lead in industry coordination, market practice development and stakeholder engagement to address key operational dependencies and promote alignment across the settlement value chain. HKEX will continue to support and contribute to these industry-led efforts within its role as market operator.
40. Together, these three layers form a holistic implementation framework that combines HKEX-led enhancements, targeted workflow tools and broader industry coordination to support an orderly and readiness-led transition to a T+1 settlement cycle.

The consultation responses

41. The consultation questionnaire⁵ solicited respondents' views on anticipated technical challenges and the lead time necessary for the T+1 implementation for market participants, as well as any other feedback that market participants may have on the Consultation Paper. The views and feedback received from the respondents form the

⁵ The full list of consultation questions set out in Appendix D to the Consultation Paper: <https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/April-2026-Accelerated-Settlement-for-the-Hong-Kong-Cash-Market/Consultation-Paper/cp202604.pdf>

basis of HKEX's conclusions and implementation plans set out in this conclusions paper.

42. Following a detailed review and analysis of the feedback received, HKEX has further assessed the proposed T+1 operating model set out in the Consultation Paper and its implications across the broader market ecosystem.
43. While the consultation proposal provides a key foundation for Hong Kong's transition to T+1, HKEX intends to continue working closely with the relevant market participants to bring forward industry practice refinements in addressing their feedback. Referring to the three-layer approach as a holistic implementation framework:
44. Layer 1: HKEX infrastructure enhancements: **These will be fully driven by HKEX**, and will include:
 - Enhancements to the T+1 operating model,
 - Continuous modernisation of Hong Kong's post trade infrastructure under the OCP programme,
 - Product-specific guidance for ETPs and Single Stock Options,
 - Publication of information papers and technical specifications, and
 - Implementation of consequential HKEX exchanges, clearing houses and Listing Rules amendments.
45. Layer 2: Workflow tool: **These will be driven by HKEX with industry participation**, and will include:
 - Implementation of an ETP platform to support the digitalisation and standardisation of ETP primary market activities for the conversion agent model under a T+1 environment, and
 - Value-adding offerings with the introduction of the Settlement Profile Repository and Status Dashboard as the initial phase through OCP.
46. Layer 3: Industry coordination and market practices: **These will be led by Industry, with HKEX's support and contribution**, and will include:
 - Ongoing coordination and engagement across the industry ecosystem between market participants and HKEX,
 - Systematically hosting interactive market briefings,
 - Establishing dedicated industry working groups with the active participation of the market, and
 - Publication of ecosystem-specific industry guidance with market best practices from industry associations.

Respondent profile and counting methodology

47. We received a total of 109 non-duplicated responses to the consultation, of which 96 were institutional responses and 13 were individual responses. A full list of respondents to the Consultation Paper is set out in **Appendix I**, and the responses are available on the website of HKEX. A breakdown of the respondents by category is set out below.

Breakdown of respondents by category⁶

Respondent category		Number of responses	Market Share by AUC	Market Share by ADT
HKEX Participant	Exchange Participants	50	12.6%	46.9%
	Custodian Participants	5	2.0%	N/A
	General Clearing Participants	7	60.2%	18.2%
Non-HKEX Participant	Investment managers	7	N/A	N/A
	Industry associations	13	N/A	N/A
	Global custodians	3	N/A	N/A
	Other institutions, including • Agent of private bank clients • Brokerage • Broker supplied systems vendor / information vendor • Central matching platform and straight-through-processing solution provider • Data & infrastructure provider • Financial companies • Global financial messaging network • International Central Securities Depository • Law firm • Share Registrars • Technology vendor	11	N/A	N/A
Individual	Individual	13	N/A	N/A
	Total responses	109	74.8%⁷	65.1%⁷

48. A quantitative analysis has been undertaken to consider the broad spectrum of respondents and their views appropriately. The qualitative analysis ensures due weight is given to responses submitted on behalf of multiple persons or institutions and the underlying rationale for a respondent's position.

⁶ Responses indicating "no comment" are included in total counts of the response received and in market share, but not shown as separate columns in the table.

⁷ Market share by AUC and ADT set out in this paper relate to direct respondents only. Industry association submissions were separately taken into account as part of the qualitative assessment of market views.

49. The analysis provides an objective and qualitative measure of the level of support for the proposals. Such analysis is set out in **Appendix III**.
50. For the avoidance of doubt, the quantitative analysis set out in Appendix III reflects the number of responses received, not the number of underlying respondents represented by those submissions. For example, a submission by a professional body is counted as one response even though that body may represent multiple members.

CHAPTER 2: MARKET FEEDBACK AND OUR RESPONSES

51. This chapter summarises the feedback received on the Consultation Paper and sets out HKEX's conclusions and responses. Overall, respondents supported the proposed transition to a T+1 settlement cycle for the Hong Kong cash market. The feedback received focused principally on implementation readiness, operational dependencies and the need for clear market guidance.

General comments on the Consultation Paper

Overall support of T+1 as a direction for the Hong Kong cash market

52. Respondents expressed broad support for the proposed introduction of a T+1 settlement cycle for the Hong Kong cash market, as reflected in the quantitative analysis in **Appendix III**. They generally recognised that a shorter settlement cycle could enhance settlement efficiency, reduce settlement risk, improve capital efficiency and support Hong Kong's competitiveness as an international financial centre. The proposed transition also forms part of the continued modernisation of Hong Kong's market infrastructure and post trade processes.
53. Respondents generally supported the key features of the proposed T+1 operating model, including enhanced settlement preparation and readiness on T-day, the retention of core market structures and risk management arrangements, and the proposed consequential amendments to the Listing Rules. Respondents also recognised the importance of automation, straight-through processing and operational standardisation in supporting the transition to T+1.

Several ecosystem-centric considerations related to settlement exist, while reaffirming T+1 as an industry-wide journey

54. The feedback focused mainly on implementation, readiness and ecosystem dependencies. Key themes included cross-border operational processes, FX and funding arrangements, SBL activities, ETP primary market creation and redemption, stock option exercise and assignment, and global custody and settlement workflows. Respondents noted that these processes would need to be completed within a shorter timeframe under T+1.
55. Respondents also emphasised that the successful implementation of T+1 would require coordinated preparation across the broader market ecosystem and industry participants. Common suggestions included continued industry engagement and coordination, timely publication of specifications and guidance, comprehensive testing arrangements, readiness assessments and clear transition planning.
56. The three-layer implementation approach included in **Chapter 1** represents a framework to holistically plan, collaborate and implement T+1 in Hong Kong as an industry. This approach is intended to support a more efficient and resilient settlement environment while maintaining appropriate market safeguards.

Timely modernisation of Hong Kong's settlement cycle

57. Respondents generally welcomed early visibility of the proposed transition, while noting

the importance of sufficient time for system development, process enhancement, market testing and industry-wide coordination. HKEX is therefore targeting implementation of the T+1 settlement cycle in 2H 2028, subject to market readiness and regulatory approvals. The final implementation date will be confirmed separately. The additional preparation period is intended to support an orderly transition and the long-term resilience of Hong Kong's post trade ecosystem.

HKEX is firmly committed to working alongside the industry during the T+1 journey

58. Overall, the feedback indicates broad support for the transition to a T+1 settlement cycle. Respondents generally viewed the matters raised during the consultation as implementation and readiness considerations that should be addressed through industry collaboration, operational enhancements and appropriate transition planning, rather than concerns regarding the overall objective of moving to T+1. HKEX fully endorses the market-wide transition to a T+1 settlement cycle, backed by broad support from our stakeholders.
59. HKEX is firmly committed to spearheading industry collaboration, driving necessary operational enhancements, and executing a robust transition plan. We will work together with our market participants to jointly ensure an effective, orderly, and successful upgrade to our market infrastructure.
60. The detailed feedback and HKEX's responses are set out in the following sections. The summary conclusions are shown in **Appendix II** for easy reference

Consultation Question 1: Proposed arrangements under the T+1 settlement cycle

61. Most respondents either supported, or did not comment on, the proposed operating model. They supported the emphasis on settlement preparation and readiness on T-day and the retention of existing market structures and risk management arrangements. Their feedback focused primarily on post trade processing flexibility, settlement instruction workflows, risk management reporting, stamp duty arrangements and the need for further operational guidance.
62. Having considered the feedback received and the overall operational impact to the market, HKEX will proceed with the proposed T+1 operating model with a number of targeted refinements to support market readiness and operational flexibility. These refinements are intended to support faster settlement while maintaining settlement resilience and certainty. Key refinements include extending the SI input and matching window to 10:00 p.m., introducing additional FOP SI settlement runs at 8:00 a.m., 8:00 p.m. and 10:00 p.m. on each Settlement Day⁸, implementing real-time SI matching and push-based API notifications, providing risk reports earlier at approximately 9:30 p.m., and retaining the existing deadline for the submission of Form SD-1⁹ and payment of stamp duty amount at T+2, subject to regulatory approval. HKEX will publish information papers and technical specifications to provide timely operational clarity to facilitate T+1

⁸ As defined under General Rules of HKSCC.

⁹ According to the [Operation Procedures For Stamp Duty Collection](#), an Exchange Participant shall submit to the Exchange a completed return ([Form SD-1](#)) of the stamp duty payable in respect of transactions carried out as principal or agent during T-day through the ECP or in any other manner as prescribed by the Exchange from time to time.

readiness.

63. The feedback also confirms that the core elements of the proposed operating model remain appropriate. HKEX will therefore retain the proposed 5:00 p.m. trade amendment cut-off, the 8:00 p.m. issuance of the Final Clearing Statement (FCS), and the existing CNS Batch-settlement-run schedule. The refinements described below are intended to provide additional flexibility while preserving the timely completion of settlement under T+1.

Trade amendment window

Respondents' Comments

64. Most respondents supported the proposed revised trade amendment window, under which trade amendments would be completed by 5:00 p.m. on T-day. Respondents generally recognised that earlier trade amendment finality is an important enabler of position certainty and effective risk management under T+1.
65. 13 respondents suggested extending the trade amendment window to provide additional operational flexibility for identifying discrepancies, coordinating with clients or counterparties, and resubmitting amended trades.

HKEX's Responses

66. HKEX will proceed with the proposed 5:00 p.m. cut-off for trade amendments. This timing is necessary to support downstream clearing processes, including the issuance of the Final Clearing Statement by 8:00 p.m. on T-day. A further extension of the trade amendment window would reduce the time available for these downstream processes and may affect the timely issuance of the Final Clearing Statement.
67. Having considered these operational dependencies, HKEX considers that extending the trade amendment window from 4:00 p.m. to 5:00 p.m. on T-day strikes an appropriate balance between providing additional flexibility to participants and maintaining an efficient clearing timetable. Following further clarification and engagement with industry participants (including prime brokers, as detailed in paragraph 163), HKEX notes that market participants generally acknowledge the operational need for the proposed cut-off time to support the timely completion of downstream clearing activities.
68. HKEX will provide operational guidance and market education to support EPs in implementing the revised cut-off and updating their internal procedures and controls.

SI services

Respondents' Comments

69. Vast majority of respondents supported the proposed extension of the SI input and matching windows. They noted that longer operating windows would provide additional flexibility for post trade processing, particularly for transactions involving counterparties in different time zones.
70. Nine respondents requested further extensions to the SI input window and additional matching and settlement runs. Separately, 16 respondents requested real-time SI matching and settlement status information to improve operational efficiency and facilitate timely settlement under T+1.

HKEX's Responses

71. In response to feedback regarding additional time for post trade processing and

enhanced intraday visibility under the T+1 settlement cycle, HKEX intends to introduce three additional SI Batch-settlement-runs settled on a Free of Payment (FOP) basis at 8:00 a.m., 8:00 p.m. and 10:00 p.m. on each Settlement Day, and further extend the SI matching window from 9:30 p.m. to 10:00 p.m. on T-day, aligning it with the SI input window. These enhancements build on the T+1 model proposed in the Consultation Paper and are intended to provide greater flexibility for post trade processing while supporting settlement efficiency under the shortened settlement cycle.

72. CPs may continue to use the existing delivery instruction functionality to effect real-time deliveries for matched SIs between Batch-settlement-runs. The operating window for delivery instruction function will also be extended to start from 8:00 a.m. to 10:00 p.m. for FOP SI on each Settlement Day. These arrangements are expected to provide greater flexibility for CPs to manage settlement activities, address time zone differences in cross-border transactions and support timely pre-settlement preparations. These enhancements are proposed by HKEX and remain subject to regulatory approval. HKEX notes that the current payment cutoff time for HKD and USD is 6:00 p.m. Most respondents considered FOP SI transfers are sufficient to facilitate the mobilisation of securities for SBL activities and therefore considered the availability of DVP SI arrangements to be unnecessary.
73. HKEX will introduce real-time SI matching functionality through the OCP¹⁰ enhancement upgrades ahead of T+1 implementation, enabling CPs to identify and resolve matching issues more promptly throughout the day. HKEX also plans to introduce push-based API notifications in Q2 2027 to provide timely updates on SI status, facilitating more effective monitoring of settlement progress and helping participants proactively manage potential settlement issues.
74. HKEX will assess suggestions relating to partial settlement, enhanced linkage and priority settlement functionality as part of the ongoing development initiatives under OCP, with further industry engagement to be conducted as appropriate.
75. Taken together, these measures are intended to improve operational flexibility, settlement visibility and processing efficiency while supporting the timely completion of settlement activities under T+1.

Availability of Final Clearing Statement (FCS)

Respondents' Comments

76. The majority of respondents did not object to the proposed FCS issuance time of 8:00 p.m. on T-day.
77. 8 respondents requested earlier availability of the FCS, noting that it would facilitate timely reconciliation, funding preparation and regulatory reporting under the T+1 settlement cycle. Some respondents suggested removing PCS and advancing the FCS to between 5:30 p.m. and 7:00 p.m. through review and streamlining of upstream processes.

HKEX's Responses

78. HKEX will continue with the proposed timing for the issuance of the second PCS and the FCS. Although some respondents requested an earlier FCS, the FCS can be issued only after critical operational processes, including trade amendments and the processing of

¹⁰ Orion Cash Platform (OCP) is an HKEX's multi-year post trade service enhancement programme for its cash market with new post trade features and services progressively added to OCP. For details, please refer to relevant HKSCC circulars.

exercised option trades, have been completed. Removing the PCS alone would not bring forward the issuance of the FCS.

79. The proposed model significantly advances the FCS issuance time from the current timing of 2:00 p.m. on T+1 to 8:00 p.m. on T-day, providing CPs with full visibility of their cleared positions within T-day. While the transition to a T+1 settlement cycle inevitably shortens the overall preparation window before settlement, the earlier availability of FCS information, together with the proposed extension of service hours and enhanced automation capabilities through OCP and workflow tool, is expected to provide CPs with sufficient and equitable time to complete the necessary post trade processing activities and prepare for T+1 settlement. CPs should assess and, where appropriate, leverage the enhanced capabilities of OCP to further automate post trade processes, strengthen operational efficiency and support settlement readiness under a T+1 environment.

Batch-settlement-run for CNS

Respondents' Comments

80. 15 respondents requested more frequent settlement processing by introducing additional CNS settlement batches throughout the day, noting that more frequent settlement runs would provide greater operational flexibility, improve settlement efficiency and issue resolution, and better support participants operating across different time zones. By contrast, 2 respondents proposed a single consolidated settlement batch later in the day, considering that a more concentrated settlement process could reduce operational complexity, support funding and liquidity management, and improve operational efficiency through enhanced netting opportunities. The remaining 92 respondents either supported or had no opposition to maintaining current Batch-settlement-run schedule.

HKEX's Responses

81. HKEX will retain the current CNS Batch-settlement-run schedule (i.e. 10:30 a.m., 12:00 noon, 2:00 p.m. and 3:45 p.m.). Maintaining the existing arrangement supports an orderly transition to T+1 while avoiding additional implementation complexity and operational impact on market participants. The current schedule also provides participants with multiple settlement opportunities throughout the settlement day, enabling them to manage funding and stock positions more effectively, address settlement shortfalls in a timely manner, and maximise settlement efficiency. Partial deliveries will continue to be permitted for CNS stock positions.
82. CPs may continue to initiate settlement between batch runs by inputting delivery instructions into CCASS between 9:30 a.m. and 3:45 p.m. to effect real-time deliveries of CNS positions.
83. Some respondents did not specify whether their comments for additional Batch-settlement-runs related to CNS or SI settlement. HKEX subsequently sought clarification and noted that the requests were primarily directed at additional SI Batch-settlement-runs. HKEX intends to address these requests through the additional FOP SI Batch-settlement-runs described in paragraphs 71 and 72.
84. HKEX further notes that extending the timing of the final CNS Batch-settlement-run beyond 3:45 p.m. could have broader downstream implications, including reducing the time available for CPs to prepare for funding before the 6:00 p.m. payment cut-off, affecting the timing of HKICL's evening money settlement processes, introducing system change and operational adjustments. This may be particularly challenging for CPs that need to manage both CNS settlement for both the Hong Kong market and for Northbound Trading. HKEX considers that retaining the current CNS Batch-settlement-

run schedule would provide an appropriate balance and best support operational efficiency and market readiness under T+1.

Availability of risk report

Respondents' Comments

85. Respondents supported maintaining robust risk management under T+1, while providing feedback on risk report timing and liquidity readiness. Five respondents commented on the earlier availability of the risk report to provide CPs advanced visibility to forecast obligations, coordinate treasury approvals, arrange bank payments and manage liquidity buffers within the compressed timetable. Respondents also highlighted practical dependencies on third-party banks, the potential need to arrange funding earlier or hold liquidity overnight, and the value of enhanced estimation reports, margin simulation tools, real-time data feeds and contingency arrangements. Some also suggested broader collateral flexibility, market-wide testing and FMI coordination to support smooth implementation.

HKEX's Responses

86. HKEX will advance the availability of the Posting / Collateralisation Result Report (Report ID: CCMPY02) to around 9:30 p.m. Under the proposed T+1 operating model set out in the Consultation Paper, the report was originally contemplated to be available at around 10:00 p.m. (compare with 8:30 p.m. under the current T+2 cycle). The revised timing will provide participants with additional time to assess their obligations and make the necessary preparations earlier in the evening.
87. Existing reporting and simulation tools provide CPs with visibility of projected funding and liquidity requirements, enabling effective forecasting and management of funding and liquidity needs. CPs may leverage the Mark-to-Market (MTM) and Margin Requirement Report (Report ID: RMAMR01), or the MTM and Margin Requirement Report (Summary Version) (Report ID: RMAMR03), available at around 5:15 p.m., together with the margin simulation tools provided by HKSCC, to support the estimation and management of risk money payments and liquidity requirements.

Stamp duty processing

Respondents' Comments

88. 13 respondents considered the proposed 11:00 a.m. T+1 cut-off for Form SD-1 submission to be challenging, particularly because it follows shortly after the deadline for exemption applications. They noted that the compressed timetable could leave insufficient time for internal processing, validation and reporting, potentially affecting the accuracy of stamp duty reporting and increasing the risk of payment adjustments.
89. Five respondents noted that off-exchange stamp duty processes remain heavily manual. They suggested retaining the existing T+2 timetable for OTC trades while applying the T+1 timetable to on-exchange trades, recognising that this may require broader legislative or policy consideration.

HKEX's Responses

90. To ensure sufficient time for EPs to complete internal validation and reporting processes under the T+1 operating timetable, HKEX will retain the existing deadline at T+2 for the submission of Form SD-1 and payment of stamp duty amount, subject to regulatory approval and endorsement from government authorities. HKEX maintains the right to impose surcharge on any late payments beyond the prescribed deadline. This change

has been considered in the context of the overall T+1 operating model and the need to preserve processing and validation accuracy. HKEX has shared the comments received with the Inland Revenue Department for its consideration. The revised timeline has been assessed against the proposed payment deadline (end of T+1) to mitigate the risk of any payment shortfall.

91. Besides, the existing arrangements for OTC trades will remain unchanged. Market participants are expected to make their own operational arrangements, as appropriate, in accordance with the prevailing requirements under the Stamp Duty Ordinance.
92. To support market readiness, HKEX will continue market education and provide guidance to help market participants better understand the relevant timelines, operational requirements and submission processes under the broader T+1 regime, with a view to facilitating compliance and reducing the risk of reporting errors or payment adjustments. Regarding the stamp duty payment arrangements for off-exchange transactions, HKEX will continue to engage with and relay market feedback to the Inland Revenue Department and provide further clarity to the market where appropriate.

Other operational matters

Respondents' Comments

93. Additional feedback was received on corporate actions and parallel trading, principally in relation to implementation readiness. 10 respondents requested further guidance and illustrative examples covering corporate action scenarios, transition arrangements and special cases under the T+1 settlement cycle. Respondents also suggested enhancements to parallel trading arrangements and adequate time for rights-subscription elections.

HKEX's Responses

94. The information papers, technical specifications, engagement and testing arrangements described in paragraphs 181 to 186 will provide the principal market-wide implementation support for T+1. The information paper and technical specifications are available in the T+1 designated webpage¹¹.
95. HKEX will also continue to engage closely with the market through briefings and structured testing arrangements. Market testing will be arranged to validate end-to-end readiness, support operational coordination across market participants, and facilitate a smooth and orderly transition to T+1.

HKEX's direction on settlement discipline and the buy-in regime

96. Settlement in the Hong Kong market is highly efficient and provides a high degree of settlement certainty for cash market investors. Preserving this efficiency and certainty for the market and our participants remains an important objective as the market transitions to a shortened settlement cycle.
97. Across the consultation questions, respondents noted that the shortened settlement timeline under T+1 may increase operational pressure across the settlement chain and could lead to a higher risk of settlement failures, particularly where securities sourcing, recalls, cross-border processing or other pre-settlement activities require coordination

¹¹ https://www.hkex.com.hk/Services/Settlement-and-Depository/T1-Settlement-for-the-Hong-Kong-Cash-Market?sc_lang=en

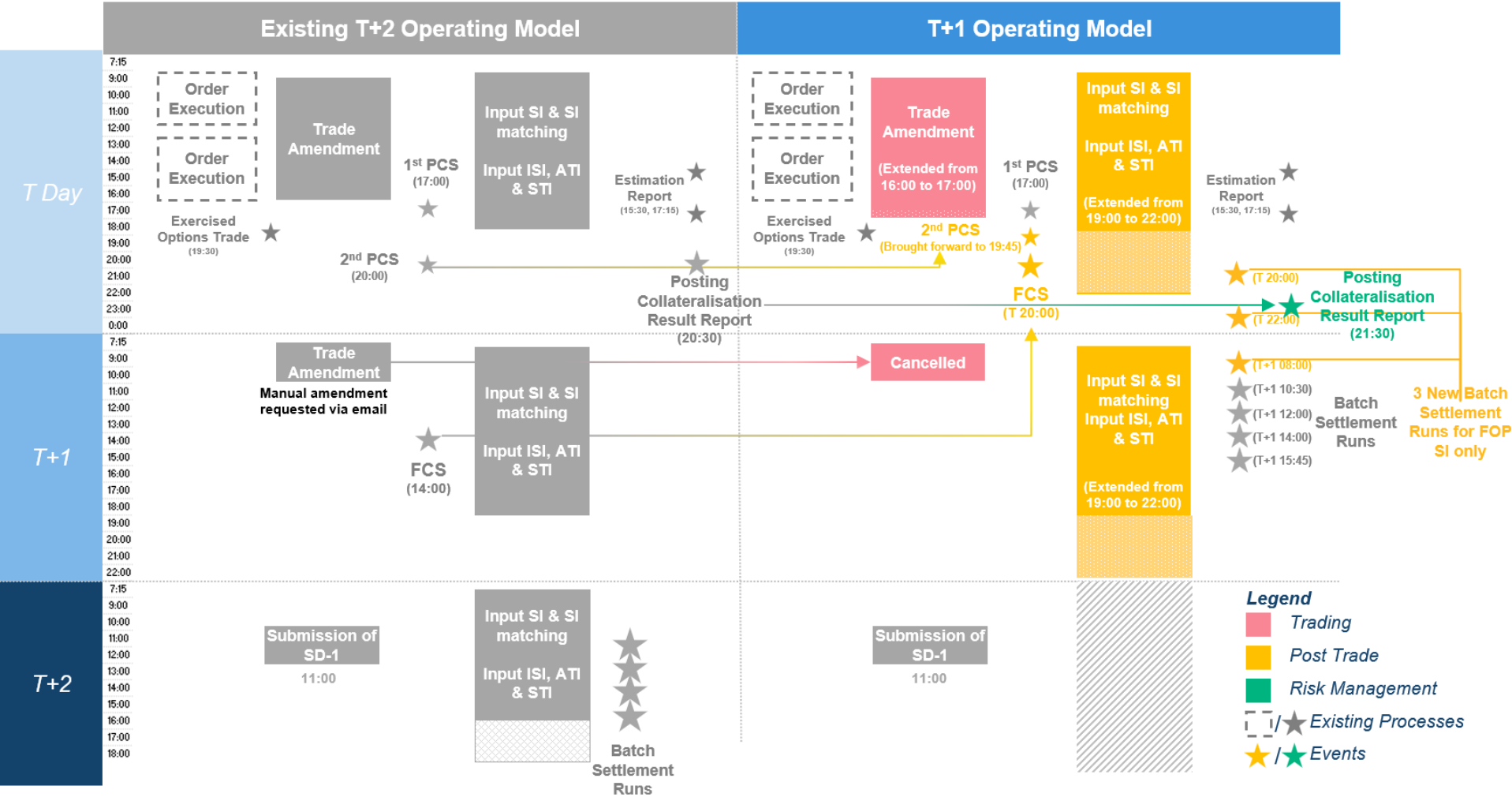
among multiple parties within a compressed timeframe.

98. HKEX recognises the challenges faced by the industry. As an operator of the Hong Kong market, HKEX has the responsibility to uphold efficiency in settlement and in the operations of the broader market. To uphold the efficient functioning of the Hong Kong market, HKEX expects market participants to proactively make the necessary preparations and exercise a high standard of settlement discipline.
99. HKEX views the buy-in regime as a measure of last resort to support settlement discipline and safeguard market integrity, rather than a primary means of ensuring timely settlement. HKEX considers that proactive preparation ahead of settlement and timely resolution of issues throughout the settlement process are the most effective ways to address the root causes of settlement failures. Market participants are therefore expected to make all reasonable efforts to prevent settlement fails, resolve issues promptly and facilitate timely settlement at the earliest opportunity, thereby minimising reliance on buy-ins.
100. Efforts to be undertaken by the market include performing all pre-settlement activities, including pre-matching on T-day / before T+1 day (where possible), as soon as practicable after trade execution, ensuring the availability of securities and funding, monitoring settlement obligations closely, and resolving exceptions or operational issues at the earliest opportunity. To support the market's transition to T+1, HKEX has also outlined a range of enhancements to the operating model, such as the extension of SI service hours, adjustments to operational timelines, and relevant workflow tool initiatives, where appropriate, as described in the responses to Consultation Question 1.
101. With these measures in place and the industry's commitment to the necessary preparations, HKEX considers it prudent to first evaluate their collective effectiveness in enhancing settlement efficiency and broader market operations in Hong Kong. HKEX also notes feedback regarding the operational burden associated with buy-in exemption applications and will continue to consider opportunities to streamline the relevant processes, where appropriate. HKEX will continue to engage with stakeholders to support industry readiness and facilitate further discussion on the three-layer implementation approach.

Operating model under T+1

102. Incorporating consultation feedback, the following diagram illustrates the revised operating model under T+1. A summary of the key changes in the operating model is also outlined in **Appendix II** item number 1.

Summary of the T+1 operating model



Consultation Question 2: Implications for ETPs and Stock Options under the T+1 settlement cycle

103. Respondents generally supported the proposed T+1 arrangements for ETPs and stock options. Their feedback focused on implementation readiness, ecosystem coordination, automation, operational resilience and settlement risk management under a shortened settlement cycle. Comments were mainly provided by respondents directly involved in settlement, custody, inventory management, market making, ETP primary market activity and stock option post trade processing.

(A) ETPs

104. Feedback reflected respondents' roles within the ETP ecosystem. GCPs, custodians and market makers provided the most substantive comments, focusing on settlement, inventory management, securities borrowing, custody chain dependencies and ETP liquidity provision. Other respondents primarily focused on market efficiency, liquidity, settlement certainty and industry coordination.
105. HKEX will apply the T+1 settlement cycle to secondary market transactions in ETPs. Primary creation and redemption transactions will be aligned to T+1 where practicable, taking account of the applicable operating model and cross-border dependencies. For ETFs operating under the conversion agent model, HKEX will introduce an ETP platform by 1H 2027, subject to regulatory approval where applicable, to provide a more digitalised, standardised and transparent framework for primary market activity. HKEX also intends, subject to regulatory approval, to retain the existing submission deadline of Form SD-1.
106. ETP primary market activity may involve overseas markets, custody chain, FX and inventory management dependencies. The market-wide implementation support, information materials, industry coordination and readiness arrangements applicable to these dependencies are set out in paragraphs 181 to 186. The general approach to settlement discipline and buy-ins is set out in paragraphs 96 to 101.

ETP primary market alignment and operating model coordination

Respondents' Comments

107. A key theme from respondents was support for ensuring that ETP primary market creation and redemption processes can operate efficiently within a T+1 settlement environment and effectively support secondary market trading. Respondents also noted that, alignment alone would not remove all operational dependencies, particularly for ETPs investing in overseas securities where market holidays, time zone differences, custody chain processing, FX funding and local market cut-offs may continue to create friction.

HKEX's Responses

108. For ETFs operating under the conversion agent model¹², and subject to regulatory approval, HKEX will introduce an ETP platform as a centralised order management system for ETF primary market activity. The platform will provide a standardised process

¹² The Conversion Agent model refers to the ETP creation and redemption model under which HKCAS/HKSCC facilitates in-kind creation and redemption activities within CCASS.

for ETF primary market transactions and is intended to improve operational efficiency and transparency for issuers, market makers, CPs, custodians, trustees, fund managers and other service providers.

109. For ETFs operating under the service agent model, the operating arrangements may involve additional dependencies, including overseas market processes and custody chain considerations. HKEX will consider these dependencies through the implementation support and industry coordination framework described in paragraphs 181 to 186.

ETF stamp duty exemption process

Respondents' Comments

110. Respondents raised concerns about the ETF stamp duty exemption process under T+1 settlement cycle. They specifically noted that the proposed compression of the Form SD-1 submission deadline to T+1 morning would leave limited time to complete the necessary upstream processes. Respondents also requested greater clarity on the continued availability and operational treatment of Form SD-6A¹³ under the compressed timeline, including the handling of late, amended or resubmitted exemption information.

HKEX's Responses

111. Following further discussions with participants across the ETP ecosystem, HKEX will retain the existing stamp duty reporting and payment arrangement, including submission deadline for Form SD-1 on T+2 and Form SD-6 on T+1, subject to regulatory approval. In addition, existing arrangement of Form SD-6A will also be retained, which respondents considered important for updating exemption information that may not be available at the time of the initial submission. These refinements are intended to address operational challenges while maintaining the integrity of the ETF stamp duty exemption framework.

Automation, standardisation and ETP workflow transparency

Respondents' Comments

112. Respondents consistently identified automation and standardisation as critical enablers for ETP readiness under T+1. GCPs, market makers, global custodians, infrastructure providers and industry associations requested ETP primary market enhancements, centralised electronic processing, API connectivity, straight-through processing, workflow standardisation, settlement status visibility and improved reporting. These comments indicate that respondents view ETP automation not merely as a technology enhancement, but as a means of reducing manual intervention, improving inventory visibility and establishing common market practices across the ETP ecosystem.

HKEX's Responses

113. HKEX will continue to explore opportunities to streamline and automate operational workflows, including continuous improvements to the ETP platform and stamp duty exemption processes, to support the accelerated processing requirements of a T+1 settlement cycle, enhance operational efficiency, reduce manual processing and strengthen settlement resilience.

¹³ Form SD-6A is used to update or amend ETF stamp duty exemption information after the initial exemption submission.

ETP buy-in exemptions, fail prevention and liquidity preservation

Respondents' Comments

114. Feedback from respondents generally focused on fail prevention and operational enhancements alongside the treatment of buy-in exemptions. GCPs, market makers, NCPs, global custodians and industry associations provided feedback for the existing exemption framework to remain workable under T+1. Respondents also emphasised that automation, settlement visibility, inventory management, securities borrowing arrangements and improved creation and redemption workflows should be the primary means of reducing settlement fail risk.

HKEX's Responses

115. HKEX acknowledges the importance of maintaining an operationally effective exemption framework to support ETP market making, creation and redemption activities, and broader market liquidity. HKEX will continue to engage stakeholders and support industry readiness for T+1. Building on the measures described in this paper, HKEX will continue to assess operational considerations and dependencies across the broader ETP ecosystem that may require further industry coordination beyond the operating model enhancements and workflow initiatives described in this paper. These will be considered as part of readiness assessments and implementation planning under the three-layer implementation approach. Please also refer to paragraphs 96 to 101 for HKEX's broader direction on settlement discipline and the buy-in regime.

(B) Single Stock Options

116. Respondents generally considered that the T+1 settlement cycle would increase the importance of timely exercise and assignment information, inventory readiness and effective securities borrowing arrangements. While the underlying processes are already established under T+2, they would need to be completed within a shorter timeframe. Feedback reflected respondents' respective roles within the ecosystem, with option holders focusing on exercise timing, and SEOCH participants and the relevant HKSCC participants focusing on assignment visibility and the resulting settlement preparation, including inventory management and securities sourcing.

Stock option exercise and assignment timing

Respondents' Comments

117. Eight respondents requested earlier exercise and assignment processing, or earlier and more actionable visibility of assignment outcomes, to provide additional time for securities sourcing and settlement preparation under T+1. Suggestions included advancing the exercise cut-off time, making assignment results available closer to market close and providing clearer operational guidance.
118. Six of these respondents specifically requested earlier and more actionable reporting, including for TP009¹⁴ "Exercise and Assign Summary", earlier assignment notifications, indicative assignment information, alignment with FCS reporting and clearer visibility of the end-to-end process and timetable.

¹⁴ TP009 "Exercise and Assign Summary" is a DCASS report that provides visibility of stock option exercise and assignment records generated through the exercise and assignment process. Participants use the report to prepare for underlying stock sourcing and settlement.

HKEX's Responses

119. HKEX considers that earlier availability of exercise and assignment information would provide limited practical benefit to T+1 settlement readiness. Earlier visibility may support preparatory work, but it would not bring forward the final CNS obligations shown in the FCS.
120. Stock option exercise timing and assignment reporting are closely linked to trade allocation, give-up and take-up arrangements, and position closing activities. Bringing forward the exercise cut-off or assignment reporting would therefore require broader changes to market processes, systems and participant workflows. It would also reduce the time available for option holders to make exercise decisions and may necessitate changes to the existing design and operating conventions of the single stock options market.
121. SBL remains an available mitigant for residual securities sourcing constraints. HKEX is separately facilitating the streamlining of market-wide SBL operating practices to support timely securities sourcing. On balance, HKEX considers that the limited benefit of earlier exercise and assignment information does not justify the wider market impact, providing assignment results earlier would require option holders to make exercise decisions within a shorter timeframe than under the current process, in addition to the operational, system and workflow changes that would be required across the market.

Securities availability and alternative settlement options

Respondents' Comments

122. Eight respondents highlighted timely securities availability as a key challenge under T+1. A respondent suggested allowing cash settlement as an alternative to mandatory physical settlement. The respondent considered that cash settlement alternative could reduce reliance on physical share delivery, thereby improving operational efficiency and mitigating settlement risk under the compressed T+1 settlement cycle, particularly for hard-to-borrow securities or during periods of heightened market activity.

HKEX's Responses

123. While T+1 shortens the time available for securities sourcing and delivery following assignment, these activities already form part of participants' existing obligations. HKEX considers that enhancing operational readiness within the current physical settlement framework, through effective inventory management, SBL arrangements and timely exception management, be more proportionate measures to addressing the challenges arising from T+1 than fundamentally changing the core settlement obligations of the single stock options product. Physical settlement is the backbone of these contracts, allowing investors to acquire or deliver the underlying securities upon exercise to fulfil their commercial requirements. Introducing cash settlement could alter the intended investment outcome and would require significant changes to market-wide exercise processing, valuation, clearing, settlement and risk management arrangements.

Buy-in framework

Respondents' Comments

124. Two respondents requested greater flexibility in the application of buy-ins, including existing option-related exemptions. They noted that assignment results become available only after market close, leaving limited time to source securities and arrange borrowing before settlement. Concerns were particularly raised for hard-to-borrow

stocks, where locating inventory and completing SBL arrangements can take longer.

HKEX's Responses

125. The existing HKSCC buy-in exemption framework for qualifying stock option exercise related transactions will be retained, with only consequential amendments to reflect the move from T+2 to T+1. HKEX considers that the challenges identified by respondents can be addressed through enhanced operational readiness, including stronger securities sourcing processes, effective SBL arrangements, timely exception management, and market-aligned operating guidance. Please also refer to paragraphs 96 to 101 for HKEX's broader direction on settlement discipline and the buy-in regime.

Implementation arrangements

Respondents' Comments

126. Eight respondents requested greater clarity on the end-to-end T+1 stock option operating model, including processing timelines, information flows and stakeholder responsibilities. They considered that a common implementation baseline would support consistent market practices, operational readiness, system development, securities sourcing, client communication, testing and effective market-wide coordination. Without timely clarity, participants may adopt different implementation assumptions, delay necessary system and operational changes, or incur unnecessary changes in anticipation of amendments to the exercise, settlement or buy-in framework that are not ultimately required. This could hinder coordinated end-to-end readiness across SEOCH Participants, the relevant HKSCC Participants, custodians, service providers and other stakeholders in the stock option ecosystem.

HKEX's Responses

127. HKEX considers implementation clarity to be an important prerequisite for coordinated market readiness. HKEX will publish an information paper setting out the details of the T+1 stock options operating model within HKEX's remit, including the sequence and timing of key exercise, assignment, clearing and settlement events, the availability and purpose of relevant reports. This will enable participants to map their end-to-end securities-delivery critical paths, assess the implications for their existing operating models and any necessary changes to their systems, processes, staffing, inventory-management and SBL arrangements, service-provider workflows, client communications, testing and exception management procedures.
128. This product-specific information will supplement the general implementation support, information materials, industry engagement and testing arrangements described in paragraphs 181 to 186. Participants remain responsible for assessing their own end-to-end securities delivery critical paths, including inventory management, SBL arrangements, service provider workflows, client communication and exception management.

Consultation Question 3: Consequential amendments to the Listing Rules

129. Respondents generally supported making consequential amendments to the Listing Rules to reflect the proposed T+1 operating model. Those providing comments included key participant groups involved in clearing, brokerage, custody, corporate actions and issuer servicing, and generally recognised the need to align issuer-facing requirements

with the revised settlement arrangements under T+1.

130. Feedback primarily focused on implementation considerations, including corporate action timetables, issuer guidance, transitional arrangements, product-specific implications and the need for early visibility of proposed rule changes. Respondents also emphasised the importance of developing the Listing Rule amendments alongside corresponding operational procedures, market guidance and implementation planning.

Guidance and rules on corporate timetables

Respondents' Comments

131. Some respondents requested earlier visibility of the proposed amendments to the Listing Rules, while some requested guidance on various topics, including how the corporate action timetable of issuers will be affected (particularly the impact of T+1 on dual primary listed issuers and how these issuers should manage cross-market settlement conventions); and how shareholders meetings will be organised under T+1 settlement cycle.

HKEX's Responses

132. An exposure draft of the proposed consequential amendments to the Listing Rules is set out in **Appendix IV** to this paper. We welcome any drafting comments on this exposure draft that are consistent with the conclusions of this paper. Any written comments may be submitted by 16 November 2026 by email to response@hkex.com.hk (**subject line: Re: Accelerated Settlement for Hong Kong Cash Market – Listing Rule Amendments**).¹⁵ We will amend the Listing Rules to incorporate such drafting changes, as appropriate, before such rules are implemented.
133. We will also update and publish the relevant guidance on the changes to the timetable in respect of relevant corporate actions and shareholders meetings in due course.
134. For issuers listed in Hong Kong and another jurisdiction, whether through a dual primary or secondary listing, different settlement cycles may apply to the trading of their securities in the respective jurisdictions. Consistent with current practice, such issuers must ensure compliance with the applicable settlement requirements in each jurisdiction and take these requirements into account when planning and implementing their timetables for corporate actions and shareholders meetings.

Scope of T+1 applicability

Respondents' Comments

135. A respondent sought clarification on the scope of the applicability of the T+1 settlement cycle. In particular, the question on whether the IPO-related settlement exemption set out in the Consultation Paper¹⁶ extends to other primary issuances, such as follow-on offerings, rights issuances, equity-linked issuances, top-up placements and other primary transactions.

¹⁵ Respondents are reminded that we may publish responses on a named basis on our website. If you do not wish your name to be disclosed to members of the public, please state so when responding to this paper. Our policy on handling personal data is set out in Appendix V to this paper.

¹⁶ Paragraph 54 of the Consultation Paper.

HKEX's Responses

136. As stated in the Consultation Paper¹⁷, the proposed T+1 settlement cycle only applies to exchange trades in the secondary market, which refers to a transaction executed and reported through the SEHK trading system involving securities that have already been issued. New issuance of securities by an issuer through follow-on offerings, such as rights issues, open offers and issuance of new shares under a top-up placing, will not fall under T+1.

Notice period for book closure

Respondents' Comments

137. A respondent suggested a longer notice period for book closures given the shorter interval between trade execution and settlement under T+1 may leave the market participants with less time to make arrangements in connection with corporate actions.

HKEX's Responses

138. We do not consider it necessary to amend the existing notice period requirements for corporate actions as execution and settlement under T+1 will increase, and not reduce, the time market participants may make arrangements in connection with corporate actions. Under T+1, an issuer will continue to be required to announce book closure date (or record date where there is no book closure) at least six business days in advance (for rights issues) or at least ten business days (in other cases).¹⁸ The ex-date for a corporate action will fall on the last registration date (or record date where there is no book closure), instead of one business day prior to such date. This means that investors will have an additional business day to trade with entitlements in respect of the relevant corporate action. Accordingly, we consider that the existing notice periods remain adequate to ensure that market participants have sufficient advance notice of corporate actions. We will update our guidance on trading arrangements for selected types of corporate actions to provide clear guidance on the applicable timetable.

Transition arrangements

Respondents' Comments

139. Respondents also requested clear transition arrangements for corporate actions and issuer timetables where key dates fall before and after the T+1 implementation date. Examples raised included corporate actions announced under the T+2 framework but with ex-dates, record dates, book-closure dates, settlement dates or entitlement-processing dates falling after T+1 implementation.

HKEX's Responses

140. Issuers should consider the implementation date of T+1 when planning and implementing their corporate action timetables, especially when determining relevant record dates and book closure periods. Issuers are reminded that:
- where any trading day falls before the T+1 implementation date, the T+2 settlement cycle will apply; and
 - where any trading day falls on or after the T+1 implementation date, the T+1

¹⁷ Footnote 5 to the Consultation Paper.

¹⁸ MB Rule 13.66(1) / GEM Rule 17.78(1)

settlement cycle will apply.

141. Please also refer to the implementation and operational readiness considerations discussed under Other Operational Matters in Consultation Question 1. As set out in paragraphs 94 and 95, HKEX will continue to provide further operational guidance and engage with market participants through information papers, technical specifications and testing arrangements to support an orderly transition to T+1.

Consultation Question 4: Key topics or perspectives under T+1 transition

142. Respondents generally agreed that the key challenges associated with a T+1 transition extend beyond the core trading, clearing and settlement processes described in the Consultation Paper. Many respondents highlighted the importance of considering broader ecosystem dependencies and the readiness of participant groups that support, facilitate or rely on settlement activities, even where they are not CPs. These respondents generally supported the strategic direction of T+1 settlement but noted that successful implementation would depend on coordinated preparedness across the wider market infrastructure, operational and liquidity ecosystem.
143. A recurring theme was that T+1 migration should be assessed from an end-to-end market perspective rather than through the lens of individual participant groups. Respondents noted that settlement efficiency under a compressed settlement cycle is dependent on the interaction between brokers, custodians, CPs, investment managers, market makers, securities lenders, fund managers, vendors, settlement banks and other service providers.
144. Accordingly, several respondents encouraged HKEX to continue engaging with the broader post trade ecosystem and to ensure that implementation planning, testing and readiness assessments adequately reflect these interdependencies.
145. Feedback on SBL was received from a broad cross-section of market participants, including brokers, custodians, GCPs, institutional investors, market makers, prime brokers and industry associations. Respondents generally recognised the critical role of SBL in supporting settlement efficiency, short selling, market making, inventory management and broader market liquidity. While respondents were broadly supportive of the transition to a T+1 settlement cycle, many noted that the shortened settlement timeframe would increase the importance of an efficient and resilient SBL ecosystem, particularly for activities involving cross-border participants, agent lenders and global custody networks. Respondents emphasised that the successful implementation of T+1 would depend not only on the readiness of trading, clearing and settlement processes, but also on the ability of market participants to adapt their securities financing and inventory management practices to operate effectively within a compressed settlement cycle.

(A) Money-Related Processes

146. Money-related processes emerged as one of the principal ecosystem dependencies in respondents' T+1 feedback. Although the proposed T+1 model retains the existing CCASS money settlement arrangements, shortening the securities settlement cycle brings forward and compresses the time available to determine cash obligations, complete FX execution, mobilise liquidity and complete settlement related payments. HKEX will support market readiness through clear operating information, technical specifications, market education and industry-wide coordination on funding, liquidity and FX related dependencies, while continuing to engage HKMA, HKICL and other

stakeholders to facilitate a smooth transition to T+1.

CHATS processing timelines

Respondents' Comments

147. Seven respondents suggested extending the operating hours of HKD and USD CHATS under T+1. They noted that settlement funding activities and interbank cash movements may become more concentrated later on T-day, reducing the time available to complete payments within the existing CHATS operating window. These respondents therefore proposed an extension of the CHATS operating windows to enhance operational flexibility and resilience. One respondent highlighted that an extended CHATS operating window could facilitate better alignment between CHATS and CLS operating timelines.

HKEX's Responses

148. The proposed T+1 operating model does not introduce any changes to the current CCASS money settlement schedule or the existing CHATS operating arrangements. HKEX notes respondents' views that extended CHATS operating hours could provide additional flexibility for payment processing under T+1.
149. As CHATS is operated by HKICL, changes to its operating hours would require coordination among HKMA, HKICL and participating members. HKEX has shared the feedback received with HKMA and HKICL, which jointly review CHATS operating hours with the banking industry from time to time taking into account business demands and the readiness of participating members. Any future changes to CHATS operating hours or arrangements would be communicated by the relevant parties. In the meantime, market participants should prepare for T+1 based on the existing CHATS operating hours and arrangements.

Intraday liquidity pressure, funding readiness and pre-fund market implications

Respondents' Comments

150. 15 respondents identified funding and liquidity readiness a key dependency for T+1. They noted that the shorter settlement cycle would reduce the time window for funding preparation and cash mobilisation, increasing reliance on intraday liquidity and other funding arrangements. Respondents also raised concerns about higher costs and reduced operational flexibility during periods of heightened market activity and requested greater clarity on the money operating model and the adequacy of existing liquidity arrangements under T+1.
151. Seven respondents noted that T+1 could increase reliance on pre-funding arrangements, while recognising that pre-funding is a commercial arrangement between market participants rather than a regulatory or market infrastructure requirement. They were concerned that intermediaries and service providers may require funds to be placed earlier, or that participants may maintain higher liquidity buffers to manage funding risk. This could tie up liquidity, increase funding costs, and add operational complexity, particularly for international investors and transactions affected by time zone differences.

HKEX's Responses

152. As part of the three-layer implementation approach, the general implementation support framework, including market practice guidance and industry coordination on cross-firm dependencies, is set out in paragraphs 181 to 186. Individual participants are expected to maintain appropriate funding, liquidity, FX, risk management and commercial arrangements.

Foreign exchange execution and settlement, currency holidays and cross-border operational dependencies

Respondents' Comments

153. Among the respondents, 24 identified FX execution and settlement as a key dependency for international investors funding Hong Kong cash securities transactions. They noted that T+1 would leave less time to complete FX transactions, particularly where investors, custodians, treasury functions and foreign exchange providers operate across different time zones.
154. Five respondents also noted that, where FX transactions cannot be completed within existing CLS arrangements and cut-off times, participants may need to rely more on bilateral settlement, pre-funding or higher liquidity buffers. Five respondents raised concerns about currency holiday mismatches and requested clarity on the interaction between the T+1 operating model and existing foreign exchange and money settlement arrangements, including contingency arrangements. One respondent suggested closer alignment between CHATS and CLS processing timelines to provide greater operational flexibility.

HKEX's Responses

155. Participants and their service providers should review their arrangements to ensure timely funding, FX execution and settlement under T+1. For currency holiday scenarios, they should identify potential calendar mismatches in advance and agree appropriate funding, communication and escalation arrangements with relevant counterparties and service providers.
156. The market-wide guidance and industry coordination arrangements described in paragraphs 181 to 186 will address, where appropriate, cross-border operating practices, FX handling and currency holiday dependencies.

(B) Securities Borrowing and Lending

157. There were 27 respondents who recognised SBL as a critical enabler of settlement efficiency, short selling, market making and market liquidity under T+1. Key themes raised included the compression of recall and return timelines, potential impact on lending supply and market liquidity, the interaction between SBL activities and the buy-in framework, the need for greater automation and transparency, and the importance of market-wide coordination and operating model clarity to support an orderly transition to T+1.

Compression of recall and return timelines

Respondents' Comments

158. The most frequently raised concern related to the compression of the recall-to-return-to-settlement process. 18 respondents noted that, under T+2 settlement, borrowers generally have sufficient time to source and return recalled securities before settlement. Under T+1, however, the shortened timeframe, coupled with cross-border communication and operational constraints, may leave insufficient time to complete recalls and returns before settlement. Respondents expressed concern that settlement failures arising from recall timing constraints could become more frequent and requested

greater clarity regarding market practices, recall timelines and the proposed SBL operating model.

HKEX's Responses

159. HKEX considers SBL an important mechanism for supporting settlement efficiency, short selling, market making and market liquidity. The period between the final Batch-settlement-run on T-day and the next settlement run on T+1 may constrain inventory management and SBL activity. Some SBL activity can begin only after updated stock balances are available, and the absence of earlier position refreshes may constrain lending decisions, securities recalls and other inventory management activities.
160. Real-time SI matching through OCP will improve transparency and settlement visibility, but it will not itself address the need for earlier stock balance refreshes and securities availability. Based on industry feedback, most stock movements associated with SBL activity are conducted on an FOP basis. HKEX therefore intends, subject to regulatory approval, to introduce additional FOP Batch-settlement-runs for SI transactions to facilitate earlier securities availability and support SBL activity.
161. The general implementation support framework, including information materials, industry engagement, testing and market practice guidance, is set out in paragraphs 181 to 186. HKEX will use this framework to facilitate discussion of SBL specific dependencies, including recall and return processes, inventory visibility, give-up arrangements and cross-border operating practices.

Impact on liquidity and lending supply

Respondents' Comments

162. Six respondents across the securities lending ecosystem identified the potential effects on lending availability and market liquidity. They noted that compressed timelines may increase uncertainty around securities availability and encourage participants to maintain larger inventory buffers, thereby reducing the supply of lendable securities. Respondents also noted that the shorter period between the final Batch-settlement-run and the 5:00 p.m. SEHK trade amendment deadline could create operational challenges for prime brokerage workflows.

HKEX's Responses

163. Under a T+1 settlement cycle, less time will be available for securities sourcing and give-up processing. Based on preliminary discussions with industry participants, give-up processes are not dependent on the SEHK trade amendment process. Participants should therefore review and enhance their give-up arrangements to support a T+1 environment. The existing SEHK trade amendment process (as mentioned in Consultation Question 1 response) will be maintained.

Need for greater automation and transparency

Respondents' Comments

164. Nine respondents consistently identified automation, transparency and straight-through processing as key enablers for an efficient SBL ecosystem under T+1. Suggested enhancements included automated recall and return workflows, improved inventory visibility, automated collateral management, real-time settlement status information and enhanced pre-settlement matching capabilities. Respondents noted that earlier visibility of settlement obligations and securities position information would support more timely borrowing decisions and reduce settlement risk.

HKEX's Responses

165. Greater automation and straight-through processing can help reduce manual intervention, facilitate system integration and improve operational efficiency under a T+1 settlement cycle. Direct API connectivity to CCASS was identified as one such capability by respondents. This capability is already under consideration as part of the OCP and forms part of HKEX's broader technology roadmap.
166. Feedback received supported the development of a centralised SSI repository to facilitate settlement instruction management, improve matching efficiency and reduce operational risks arising from inaccurate or outdated SSI information. The proposed workflow tool already contemplates a central repository for SSI information alongside settlement instruction automation through OCP enhancement upgrades. Accordingly, HKEX considers this feedback broadly aligned with initiatives already under consideration as part of the T+1 journey.

Market-wide coordination and operating model clarity

Respondents' Comments

167. Nine respondents recognised that many SBL challenges under T+1 will require coordinated, industry-wide solutions. They encouraged HKEX to facilitate discussion among securities lenders, borrowers, brokers, custodians, CPs and industry associations on common operating standards and market practices. Respondents also requested greater clarity on the T+1 operating model, settlement workflows and the interaction between SBL processes and other post trade infrastructure arrangements.
168. Respondents also suggested longer-term market infrastructure enhancements, including settlement optimisation mechanisms, cash and liquidity management enhancements, and greater transparency across securities financing activities. These proposals were generally viewed as beneficial to the long-term development of Hong Kong's post trade ecosystem and not as critical dependencies for T+1 implementation.

HKEX's Responses

169. Given the wide operational, regulatory and ecosystem implications associated with these proposals, HKEX considers them matters for further discussion with market participants, regulators and other stakeholders as part of the ongoing market development dialogue. While these suggestions are outside the immediate scope of the proposed T+1 implementation, HKEX will continue to take account of market feedback and international developments when considering opportunities to enhance the efficiency, resilience and competitiveness of Hong Kong's post trade ecosystem.

Buy-in framework and settlement discipline

Respondents' Comments

170. 9 respondents considered that the existing buy-in framework may not be fully aligned with the operational realities of SBL under a shorter settlement cycle. They were concerned that settlement failures caused by delayed stock recalls, constrained borrowing availability or cross-border dependencies may become more frequent despite participants' best efforts to settle on time. Respondents proposed a range of measures, including a fee-based penalty model, temporary post-implementation relief, broader exemptions for SBL related settlement fails, a longer period before buy-ins are triggered and additional mechanisms to facilitate securities availability.

HKEX's Responses

171. Under a shortened settlement cycle, settlement fails may arise from compressed operational timelines and structural constraints within the SBL process, rather than a lack of settlement intent, potentially resulting in a higher frequency of settlement fail buy-ins. Many of these challenges may be mitigated through enhanced operational efficiency, improved transparency and greater alignment of market practices across the industry. Please also refer to paragraphs 96 to 101 for HKEX's broader direction on settlement discipline and the buy-in regime.

Consultation Question 5: T+1 implementation approach and timeline

172. Feedback indicates broad support for the strategic direction of T+1 settlement, with mixed views on whether the proposed Q4 2027 implementation timeline would provide sufficient time for market readiness. Following qualitative recategorisation of the written feedback, among the 96 institutional responses, 66 respondents indicated support or no comment on the proposed timeline while 30 respondents considered that additional preparation time may be required to complete the operational, technology, testing and wider ecosystem changes necessary to support market readiness for T+1 implementation.
173. Feedback highlighted the need for greater visibility of the future T+1 operating model, sufficient time for operational and technology changes and testing, and coordinated preparation across the broader settlement ecosystem.
174. In response to feedback on implementation readiness and migration timing, HKEX will adopt a coordinated readiness-based approach with target implementation in 2H 2028. Implementation will be subject to market readiness, regulatory approvals, completion of key specifications, industry testing and satisfactory resolution of critical ecosystem dependencies. This approach is intended to support the efficient and resilient long-term development of Hong Kong's post trade infrastructure.

Implementation support, market guidance and readiness framework

Respondents' Comments

175. Respondents emphasised that greater visibility of the future T+1 operating model would be needed before readiness could be assessed conclusively. Respondents sought detailed business requirements, technical specifications, implementation milestones, operational procedures, market practice guidance, testing arrangements, readiness criteria and contingency plans.
176. Respondents also noted that readiness must be assessed on an end-to-end basis and supported by coordinated preparation across the market ecosystem. They highlighted dependencies among brokers, EPs, CPs, custodians, investment managers, market makers, securities lenders, fund managers, settlement banks, technology vendors and market infrastructures. Key areas of focus included ETP ecosystem readiness, SBL, FX and funding arrangements, client onboarding and market-wide operating standards.
177. Several respondents highlighted the importance of industry working groups, market rehearsals and structured testing to promote common practices and coordinated implementation. Respondents also encouraged HKEX to establish clear implementation milestones, objective readiness criteria and effective implementation governance. Some respondents further noted that the UK and EU T+1 programmes could compete for global

technology and operational resources.

178. Respondents further identified automation, straight-through processing, SI data quality and real-time settlement status visibility as important enablers of readiness under T+1. They encouraged HKEX to support interoperability with existing market infrastructure and global post trade platforms, while allowing sufficient lead time for participants to assess, develop, test and implement required changes.

HKEX's Responses

179. HKEX will adopt a coordinated, readiness-based implementation approach, supported by the three-layer implementation framework described in Chapter 1. Having considered the feedback received, HKEX is targeting an indicative implementation timing in 2H 2028, subject to market readiness, regulatory approvals, completion of key specifications, industry testing and satisfactory resolution of material ecosystem dependencies. Market readiness is targeted to be achieved by September 2028.
180. HKEX remains committed to accelerating settlement to T+1 to enhance Hong Kong's competitiveness and align with international market developments. Successful implementation must be supported by clear operating model requirements, market-wide coordination, sufficient testing and demonstrable readiness across the settlement ecosystem. HKEX will continue to monitor market readiness throughout the implementation period and assess any material implementation issues identified through market engagement.
181. To provide operational clarity and support participant readiness, HKEX will publish information papers and technical specifications in stages through the dedicated T+1 webpage¹⁹. These materials will set out, where applicable, operating arrangements, processing timelines, system interfaces, reporting availability, implementation milestones, testing arrangements, readiness expectations and market practice guidance. Topic specific materials may also be issued where further detail is required for particular products, services or operational processes. Together, these materials will support the modernisation of post trade processes required for T+1.
182. HKEX will continue to facilitate engagement with market participants and relevant stakeholders through industry briefings, working groups, structured testing and, where appropriate, market rehearsals. These activities will support validation of end-to-end readiness, identify dependencies and exceptions, promote coordination across market participants and support an orderly transition to T+1. A set of critical readiness mandates have been formalised in Chapter 3 to guide the market towards key areas of preparation.
183. Several areas identified through the consultation will require further industry discussion, coordination and development of common market practices during the implementation period. These areas generally relate to operational and ecosystem processes that sit beyond HKEX's core clearing and settlement infrastructure and will require coordination among multiple industry stakeholders.

Key workstreams include:

- i. Development of common market practices for SBL activities under a shortened settlement cycle, including securities recall and inventory management processes;
- ii. Industry alignment on funding, liquidity management and FX operational practices, particularly for cross-border transactions and currency holiday

¹⁹ https://www.hkex.com.hk/Services/Settlement-and-Depository/T1-Settlement-for-the-Hong-Kong-Cash-Market?sc_lang=en

- scenarios;
- iii. Refinement of end-to-end operating arrangements for product-specific ecosystems, including ETP primary market activities and stock option settlement workflows;
 - iv. Establishment of market practices and standards to support greater automation, straight-through processing, SI management and exception handling; and
 - v. Identification and management of operational dependencies involving custodians, investment managers, securities lenders, settlement banks, service providers and other ecosystem participants.

184. HKEX recognises that these workstreams are important to the successful implementation of T+1 and will continue to facilitate discussion and coordination among stakeholders through industry working groups, market briefings and targeted stakeholder engagement as part of the three-layer implementation approach. Through these efforts, HKEX will work with the industry to improve relevant operational processes and inform future market guidance, readiness assessments and industry practices supporting an orderly transition to T+1.
185. Market participants should use the implementation period to assess the impact of T+1 on their systems, operations, controls, client arrangements and service provider dependencies. They should also assess and plan any necessary enhancements to automation, straight-through processing, SI management, funding and liquidity arrangements, and exception handling procedures.
186. While HKEX will facilitate industry discussion and coordination on material cross-firm and cross-market dependencies, individual participants will remain responsible for their own systems, operations, controls, client arrangements, funding, risk management and commercial arrangements.

Supplementary Questions: Proposed streamlined workflow under Chapter 6 of the Consultation Paper

Overall feedback

Respondents' Comments

187. Most respondents welcomed the proposed streamlined workflow under Chapter 6 of the Consultation Paper and the enhanced operational arrangements designed to support preparation for the T+1 implementation. Respondents generally agreed that the proposed streamlining tools would reduce operational risk, enhance coordination across key parties and provide greater transparency and readiness throughout the settlement workflow.
188. Initial feedback from institutional buy-side firms (five), broker-dealers (22), custodians (11), market makers (four), and other stakeholders (11) representing these segments was broadly supportive of the proposed post trade workflow enhancements. Respondents considered workflow modernisation an important step toward reducing operational risk and improving efficiency, while highlighting the importance of careful design, interoperability, cost discipline, and phased implementation.
189. Broker-dealers focused on operational streamlining, automation and efficiency gains.

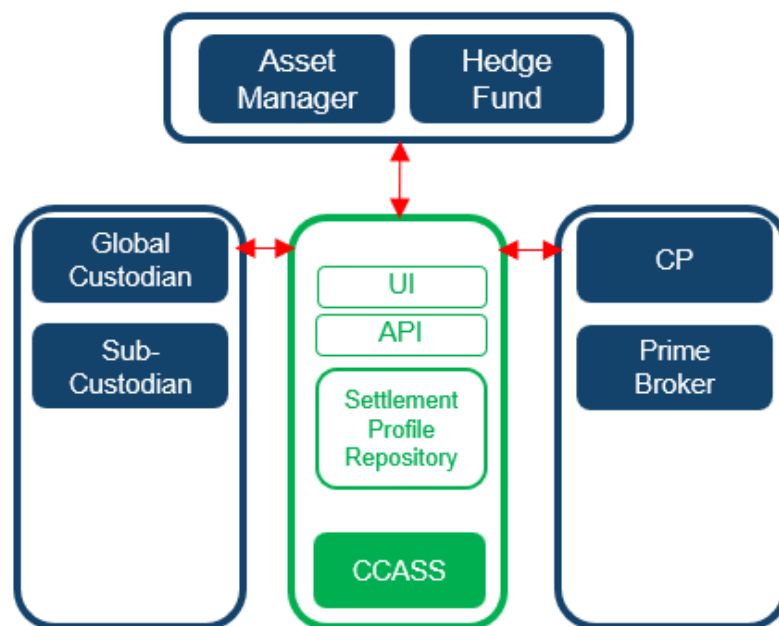
Buy-side firms and custodians emphasised interoperability with existing global platforms, transparency, cost effective implementation and adequate lead time for connectivity, development and testing.

190. Taken together, the feedback underscores that T+1 readiness is less about accepting additional risk and more about modernising market infrastructure to deliver earlier certainty, higher automation and improved resilience.

HKEX's Responses

191. In support of Hong Kong's transition towards a future T+1 settlement environment, HKEX plans to progressively develop and introduce workflow tools designed to address key industry challenges identified through market consultations, industry workshops, and stakeholder engagement with asset managers, custodians, and brokers. The feedback consistently highlighted the need for enhanced automation, improved SSI data quality, real-time settlement visibility, and interoperability with existing market infrastructure, while minimising disruption to established operating models.
192. HKEX is going to adopt a phased implementation approach to enable orderly market adoption and allow participants sufficient time to assess, test, and integrate new capabilities into their existing operational environments. The initial phase will focus on delivering foundational services with the broadest industry applicability with an initial focus on capability to address SSI data quality issues and real-time settlement visibility. These initiatives form part of the continued modernisation of Hong Kong's post trade infrastructure.
193. In conjunction with the planned OCP SI service enhancement, direct HKSCC Participants are encouraged to assess and adopt the new services where appropriate to streamline settlement processing for the Hong Kong market.

Overview of the Settlement Profile Repository



Settlement Profile Registry With appropriate access controls and automation capabilities, standing settlement instructions (SSIs) of asset managers and hedge funds can be securely stored in the centralized Settlement Profile Registry, enabling custodians and brokers to efficiently manage and retrieve settlement profiles.

Broker-dealer feedback highlights

Respondents' Comments

194. Respondents considered that the proposed workflow tool could improve end-to-end operational efficiency and support market utilities that address cross border and time zone challenges. They also stressed the importance of interoperability with existing global platforms and flexibility in adopting individual components. Respondents valued a centralised settlement profile repository and greater real-time visibility of SI status.

HKEX's Responses

195. Feedback from brokers indicates strong support for the proposed Settlement Profile Repository, a centralised repository to store and retrieve SSI, and the Status Dashboard, which are viewed as practical and scalable tools to help address incomplete or missing SSI details and enablement of early exception handling under a T+1 environment.
196. Market participants noted that the proposed SI Automation Service could provide an industry utility to facilitate the timely exchange and enrichment of settlement instructions. However, further engagement is required to map out the business requirements and the potential users so a market practice that would be agreed and adopted by brokers and custodians can be established

Institutional buy-side and Custodian respondents feedback highlights

Respondents' Comments

197. Respondents highlighted the importance of interoperability with existing global platforms to minimise duplication and facilitate adoption. They also emphasised the need to promote cost effective implementation and provide sufficient lead time for connectivity build out, system development and testing to support an orderly market-wide transition.
198. Respondents supported a phased rollout, with an initial focus on settlement operational readiness, settlement profile data quality and time zone challenges. They noted that interoperability with existing matching platforms remains an important part of their global post trade infrastructure.
199. Respondents generally favoured solutions that minimise operational disruption and align with established global workflows. They also recognised that industry collaboration will be important to successful implementation.

HKEX's Responses

200. HKEX intends to prioritise development of the Settlement Profile Repository to improve SSI data quality and the Status Dashboard to enhance settlement status visibility. HKEX will continue to work with stakeholders to finalise business requirements for trade allocation and confirmation matching, settlement instruction automation and other use cases that may support wider market adoption.

CHAPTER 3: CONCLUSIONS AND TIMELINE

201. HKEX notes the broad support received for the strategic direction of moving the Hong Kong cash market to a T+1 settlement cycle. Respondents generally recognised that accelerated settlement would support market efficiency, reduce settlement risk, improve capital efficiency and further align Hong Kong with international market developments. At the same time, respondents also highlighted that successful implementation would require coordinated preparation across the broader post trade ecosystem.

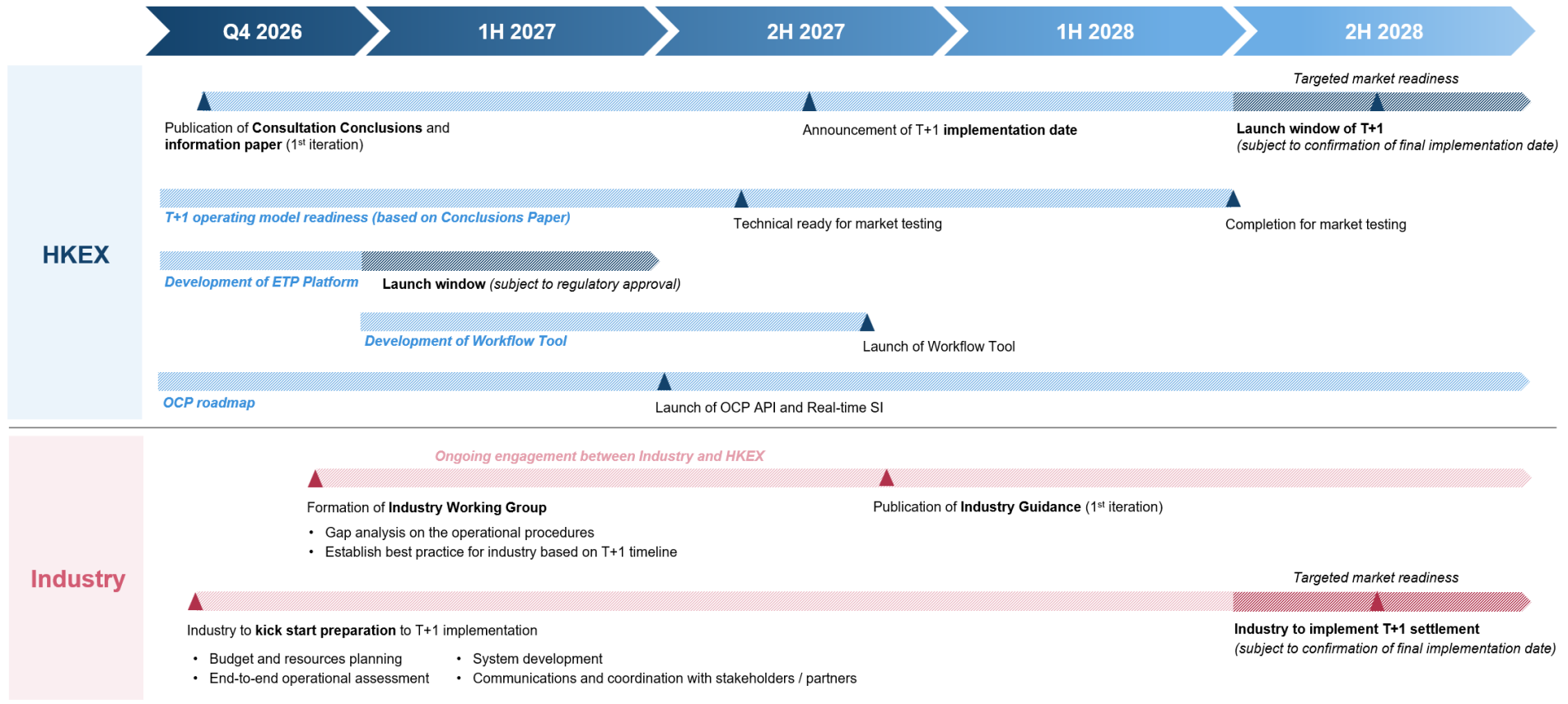
A clear target for T+1 implementation in the Hong Kong cash market, in accordance with the three-layer implementation approach

202. Driven by the valuable feedback from this consultation, HKEX is fully committed to a readiness-led transition, establishing 2H 2028 as our clear strategic target for the T+1 implementation. The industry participants and relevant stakeholders are expected to achieve market readiness by September 2028. This definitive timeline serves as an intentional planning anchor, giving the market clarity while providing the runway needed for rigorous preparation.
203. As part of **Layers 1 and 2** of the three-layer implementation framework, HKEX, as the market operator, is actively driving the completion of targeted infrastructure enhancements, key specifications, accelerating regulatory approvals, and resolving critical ecosystem dependencies. HKEX will stand side-by-side with our market participants through comprehensive industry testing, ensuring we collectively achieve an orderly, secure, and world class market upgrade.
204. The Hong Kong T+1 will be an industry-wide journey. HKEX also recognises that the transition must be supported by clear operating model requirements, market-wide coordination, sufficient testing and demonstrable readiness across the settlement, funding, product, securities financing and client service ecosystem.
205. As part of **Layer 3** of the three-layer implementation framework, HKEX will continue with industry engagement and systematically hosting market briefings. In its capacity as the market operator, HKEX will encourage the establishment of dedicated industry-led working groups with the active participation of market participants. HKEX will also mandate clear implementation milestones, facilitate the publication of definitive market practice guidance and conduct intensive industry-wide testing alongside formal readiness assessments.
206. To ensure market readiness, HKEX is launching a rigorous, multi-staged implementation roadmap engineered to guide participants through every phase of the T+1 transition. This structured approach removes ambiguity, equipping every market participant with the precise technical requirements, timeline clarity, and actionable mandates necessary to execute a smooth final launch.
207. The successful transition to a T+1 settlement cycle is a shared industry mandate that demands immediate, proactive ownership from every market participant. Participants must look within and leverage this preparation period to rigorously overhaul their systems, operations, internal controls, and client frameworks. It is critical to systematically stress test service provider dependencies, funding and liquidity buffers, SBL activities, ETP and stock option workflows, and exception handling protocols. HKEX expects all participants to mobilise internal readiness planning immediately – initiating deep process and system impact assessments, securing resource allocations, aligning clients and vendors, and preparing for mandatory industry testing. Market-wide success

hinges entirely on the early, disciplined, and rigorous execution of these internal upgrades by every individual firm.

208. The following diagram outlines the overall implementation plan of Hong Kong T+1.

Summary of the overall implementation plan of Hong Kong T+1



Readiness mandates and monitoring

209. HKEX will apply and communicate clear, stage-by-stage market readiness mandates at regular intervals from now until the implementation of T+1. These definitive benchmarks establish the operational standards that every participant must meet. HKEX will use these mandates to score mandatory readiness surveys, evaluate market-wide testing performance, and formulate our final, objective assessment of overall market preparedness ahead of the launch. To ensure compliance and execution, HKEX has formalised the initial phase of critical readiness mandates across the following key areas:

Initial phase of critical readiness mandates:

- *T-day matching and settlement instruction readiness*: market participants should be capable of completing trade matching and issuing settlement instructions as early as practicable on trade date in Hong Kong time, so as to maximise the available window for processing and exception resolution ahead of settlement on T+1 day;
- *Automation and straight-through processing*: market participants should review and enhance electronic and automated processing capabilities where appropriate, including trade matching, settlement instruction management, reconciliation, reporting and exception handling;
- *Standing settlement instructions and reference data*: market participants should ensure that SSIs, client settlement profiles and other key reference data are accurately maintained and kept up to date to reduce avoidable mismatches and settlement failures;
- *Funding, liquidity and FX preparedness*: market participants should assess funding, liquidity, FX and payment arrangements needed to support timely settlement under T+1, including cross-border, currency holiday and client funding dependencies;
- *Policies, procedures and governance*: market participants should update internal policies, procedures, controls, escalation arrangements and client communication plans to reflect the requirements and operating timetable of a T+1 settlement cycle; and
- *End-to-end market readiness*: market participants should complete all other preparations necessary to support timely and orderly settlement under T+1, including product-specific workflows, SBL arrangements, vendor readiness, service provider coordination and participation in industry testing.

210. HKEX will continue to monitor market readiness throughout the implementation timeline, maintaining proactive engagement with participants and stakeholders to decisively resolve practical issues and support an orderly transition to T+1. While HKEX is targeting implementation of the T+1 settlement cycle in 2H 2028, subject to market readiness and regulatory approvals, we maintain strategic flexibility to ensure market stability. The final launch date will be formally confirmed in due course, considering the outcome of market-wide testing, readiness assessments and any material implementation issues identified during the implementation process.

The Hong Kong T+1 industry-wide journey continues and preparation starts now

211. HKEX expresses sincere gratitude to all participants for their invaluable insights during

the consultation, which have been pivotal in shaping a robust, forward-looking strategy for the T+1 settlement transition.

212. **Moving to T+1 will be an industry-wide journey.** Planning for the T+1 transition **can start now**. As Hong Kong embarks on this transformative upgrade, HKEX is fully committed to driving the initiative to a successful conclusion and looks forward to working together with the industry to build a more efficient, resilient, and world-class market.

APPENDIX I: LIST OF RESPONDENTS

Named respondents

The following is a list of 25 institutional respondents and one individual respondent to the Consultation Paper who have agreed to have their names published:

Institutional respondents
HKEX participants
China Construction Bank (Asia) Corporation Limited
Macquarie Capital Limited
Sinolink Securities (Hong Kong) Company Limited
Société Générale
Spring Securities Limited
Industry associations
Asia Securities Industry & Financial Markets Association
Hong Kong Investment Funds Association
Hong Kong Securities & Futures Professionals Association
Hong Kong Securities Professionals Association
Hong Kong Securities Association
Investment Company Institute
Securities Finance Association
The Hong Kong Association of Banks
The Hong Kong Chartered Governance Institute
The Hong Kong Institute of Financial Analysts & Professional Commentators Limited
The International Capital Market Association
The International Securities Services Association
Treasury Markets Association
Global custodians
Bank of New York Mellon
State Street Bank and Trust Company
Others

Broadridge
Depository Trust & Clearing Corporation
Federation of Share Registrars Limited
Fidelity Information Systems, LLC
Jia Yuan Law Office

Individual respondents

Alton LAU

Anonymous respondents

The following is a breakdown, by category, of the 71 institutional and 12 individual respondents to the Consultation Paper who have opted to remain anonymous:

Institutional Category	Number
Agent for private bank clients	1
Brokerage	1
Broker supplied systems vendor / information vendor	1
Data & Infrastructure Provider	1
Global custodian	1
Global financial messaging network	1
HKEX participants	57
Institutional investors	7
International Central Securities Depository	1

Individual respondents	Number
Individuals	12

APPENDIX II: CONCLUSIONS SUMMARY

No.	Consulted items, associated changes and other comments	Key Conclusions <i>(Compared with the Consultation Paper proposal, where relevant)</i>
1	Proposed arrangements under the T+1 settlement cycle across the cash market trade lifecycle	<u>Updates to the T+1 Operating Model</u> - Extension of SI services (<i>additional FOP SI settlement batches at 8:00 a.m., 8:00 p.m. and 10:00 p.m. on each Settlement Day</i>) - Earlier risk report availability (<i>30 minutes earlier at 9:30 p.m., instead of 10:00 p.m.</i>) - Post Trade infrastructure technical details (<i>Provide information paper and technical specifications for greater operational clarity and transparency</i>) - HKEX intends to maintain (a) the current trade amendment window (5:00 p.m. to enable further processing, after clarification with industry participants that this process does not impact industry's downstream processes) and (b) CNS BSR batch structure and timing (maintaining the existing arrangement supports an orderly transition to T+1 while avoiding additional implementation complexity and operational impact on market participants) - To amend HKEX's exchanges and clearing houses rules based on the T+1 operating model - <i>Note: Stamp duty processing and form submission timelines under the current practice would be retained</i> <u>Other post trade enhancements</u> - Continuous modernisation of post trade infrastructure under the OCP Programme will take place in parallel, with features including OCP API and real-time SI input and matching being offered ahead of T+1 launch. These features will further support post trade activities of our market participants <u>HKEX's direction on settlement discipline and the buy-in regime</u> - Hong Kong currently benefits from a highly efficient settlement framework, and maintaining high levels of settlement efficiency and certainty

		remains a key objective as the market transitions to T+1 - While T+1 may increase operational pressures and settlement fail risks, HKEX expects market participants to proactively complete pre-settlement activities, ensure securities and funding availability, and resolve issues early to address the root causes of settlement failures - HKEX views buy-ins as a measure of last resort rather than a primary tool for settlement discipline. Together with HKEX's operating model enhancements and the workflow tool, these measures should first be assessed for their effectiveness in enhancing settlement efficiency. HKEX will continue to engage stakeholders to support industry readiness and facilitate further discussion on the three-layer implementation approach
2	Assessment of the implications for specific products (i.e. ETPs and Single Stock Options)	<u>ETPs</u> - Guidance on ETP Primary Market Alignment and Operating Model Coordination - Enhanced automation of ETP primary market activities (Conversion Agent Model) through ETP Platform - ETP Stamp Duty Exemption Process (please see point 1 above) - HKEX believes that further automation, while not a day-one requirement, is a critical long-term enabler supporting efficient operation in a T+1 environment <u>Single Stock Options</u> - Provide further clarity to the market on end-to-end single stock options operating model under T+1
3	Proposed approach for Listing Rules amendments	- Listing Rules will be amended based on the T+1 operating model to account for consequential changes
4	Further implications to market participants and processes	<u>Settlement processes among market participants (including securities-related and money-related processes)</u> - HKEX notes the broad range of activities as part

		of the settlement process, including SBL for securities-related processes, and funding, FX and special situations such as currency holiday arrangements for money-related processes. As these are processes largely under Layer 3, HKEX will facilitate the relevant industry associations to develop common market practices and guidance <u>Targeted enhancements facilitating industry processes</u> - Through industry engagement, we understand the following features are expected to support the industry processes including SBL through providing greater flexibility in movement of securities and broader preparation ahead of T+1 settlement • Extension of SI services for more flexible securities movement in CCASS (<i>additional FOP SI settlement batches at 8:00 a.m., 8:00 p.m. and 10:00 p.m. on each Settlement Day</i>) • Offering SSI repository (Settlement Profile Repository of the workflow tool) for central settlement data standardisation and storage
5	Workflow tool proposal	<u>Workflow tool proposal</u> - HKEX has received supportive comments on the workflow tool to support preparation of T+1 - To facilitate adoption, HKEX intends to offer (1) a Settlement Profile Repository (an SSI repository) and (2) the Status Dashboard ahead of T+1 implementation to enable the earlier use of such tools - In addition, HKEX will implement an ETP platform to support the digitalisation and standardisation of ETP primary market activities for the conversion agent model under a T+1 environment - As a next step, HKEX will continue to explore solutions mentioned in the market consultation feedback. HKEX will be discussing further with key institutional market participants in developing solutions which best support the market for T+1 implementation

6	Proposed implementation timeline and approach	- Comprehensive market readiness and testing arrangements prior to T+1 implementation - To provide sufficient time for market preparation, HKEX intends to implement T+1 in the Hong Kong market in 2H 2028
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APPENDIX III: QUANTITATIVE ANALYSIS OF RESPONSES

No.	Questions in the Consultation Paper	Number (%) of responses indicated:		
		Yes	No	No comment
1	Do you support the proposed arrangements under the T+1 settlement cycle across the Cash Market trade lifecycle? In particular, please comment on: (a) Trade amendment (b) Post Trade (c) Risk management (d) Other processes, including reporting, corporate actions, stock conversion arrangement and stamp duty arrangement Please give reasons for your views.	Please refer to below		
1(a)	Do you support the proposed arrangements on <u>trade amendment</u> under the T+1 settlement cycle across the Cash Market trade lifecycle? Please give reasons for your views.	Institutions 59 (61.5%) Individuals 9 (69.2%)	8 (8.3%) 1 (7.7%)	29 (30.2%) 3 (23.1%)
1(b)	Do you support the proposed arrangements on <u>post trade</u> under the T+1 settlement cycle across the Cash Market trade lifecycle? Please give reasons for your views.	Institutions 58 (60.4%) Individuals 8 (61.5%)	10 (10.4%) 2 (15.4%)	28 (29.2%) 3 (23.1%)

No.	Questions in the Consultation Paper	Number (%) of responses indicated:		
		Yes	No	No comment
1(c)	Do you support the proposed arrangements on <u>risk management</u> under the T+1 settlement cycle across the Cash Market trade lifecycle? Please give reasons for your views.	Institutions 57 (59.4%) Individuals 8 (61.5%)	4 (4.2%) 0 (0.0%)	35 (36.5%) 5 (38.5%)
1(d)	Do you support the proposed arrangements on <u>other processes (including reporting, corporate actions, stock conversion arrangement and stamp duty arrangement)</u> under the T+1 settlement cycle across the Cash Market trade lifecycle? Please give reasons for your views.	Institutions 53 (55.2%) Individuals 7 (53.8%)	9 (9.4%) 0 (0.0%)	34 (35.4%) 6 (46.2%)
2	Do you have any comments on the assessment of the implications for Exchange Traded Products (ETPs) and Stock Options under the proposed T+1 settlement cycle? In particular, please comment on: • Guiding principles for the ETP primary market; • Buy-in considerations for ETPs; and • Stock options (including exercise and assignment). Please give reasons for your views.	Institutions 56 (58.3%) Individuals 3 (23.1%)	N/A N/A	40 (41.7%) 10 (76.9%)

No.	Questions in the Consultation Paper	Number (%) of responses indicated:		
		Yes	No	No comment
3	Do you have any comments that consequential amendments should be made to the Listing Rules to reflect the arrangements proposed under the T+1 operating model?	Institutions 35 (36.5%) Individuals 2 (15.4%)	N/A N/A	61 (63.5%) 11 (84.6%)
4	In assessing your circumstances for a T+1 transition, are there any other key topics, perspectives or types of market participants which you believe are relevant to highlight, that have not been covered in Exhibit 1 and paragraphs 110-113? Please share your views.	Institutions 52 (54.2%) Individuals 1 (7.7%)	N/A N/A	44 (45.8%) 12 (92.3%)
5	Do you consider the timeframe to be sufficient for you to prepare for T+1 to become effective in Q4 2027, given the advance visibility and lead time provided? Do you have any comments on the discussion and implementation approach? Please share your views on the proposed approach and timeline.	Institutions 36 (37.4%) Individuals 7 (53.8%)	30 (31.3%) 0 (0.0%)	30 (31.3%) 6 (46.2%)

APPENDIX IV: EXPOSURE DRAFT OF THE PROPOSED AMENDMENTS TO THE LISTING RULES

Schedule A: Amendments to the Main Board Listing Rules

Chapter 13

EQUITY SECURITIES

...

TRADING AND SETTLEMENT

...

Closure of books and record date

- 13.66 (1) (a) An issuer must set a record date for determining the identity of securities holders eligible for attending and voting at the general meeting or receiving entitlements.
- (b) An issuer must announce (a) the record date and (b) any closure of its transfer books or register of members in respect of securities listed in Hong Kong. For a rights issue, such announcement must be made at least six business days before the record date (when there is no book closure) or book closure date, or in all other cases, 10 business days before the record date (when there is no book closure) or book closure in other cases. Where there is an alteration of the record date or book closing dates, the issuer must, at least five business days before (i) the announced record date (where there is no book closure)/ book closure or (ii) the new record date (where there is no book closure)/ book closure, whichever is earlier, notify the Exchange in writing and make a further announcement. If, however, there are exceptional circumstances that render the giving of the notification to the Exchange and publication of the announcement impossible, the issuer must comply with the requirements as soon as practicable.
- (2) An issuer must ensure that the last day for trading in the securities with entitlements falls at least one business day after the general meeting, if the entitlements require the approval of shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting.

Notes:

1. See *Practice Note 8 for emergency share registration arrangements during Bad Weather Signals*.
2. In addition, for a rights issue, the issuer must provide at least two trading days for trading in the securities with entitlements (i.e. before the ex-dates, as referred to in *Practice Note 8*) after publication of the record

date (when there is no book closure) or book closure. If trading on the Exchange is interrupted, the record date (when there is no book closure) or book-close date will be postponed, where necessary, to provide at least two trading days (during neither of which trading is interrupted) for trading of the securities with entitlements during the notice period. In these circumstances the issuer must publish an announcement on the revised timetable.

3. *For the purposes of rule 13.66(2),*

- the record date (when there is no book closure) or the last registration date (when there is a book closure) must be at least ~~three~~two business days after the general meeting; and*
- if the issuer fails to publish the result of the poll conducted in the general meeting in the manner prescribed under rule 13.39(5), it must ensure there is at least one trading day for trading in the securities with entitlements after publication of the results of the poll. The issuer must publish an announcement on any revised timetable.*

...

The Stock Exchange of Hong Kong Limited

Practice Note 8

to the Rules Governing the Listing of Securities
(the “Exchange Listing Rules”)

Issued pursuant to rule 1.06 of the Exchange Listing Rules

EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING BAD WEATHER SIGNALS

...

2. Introduction

Under the T+2~~1~~ settlement system, securities trade ex-entitlement for ~~two~~one trading days before the book close date. ~~These~~The ~~two~~ trading days ~~are~~is referred to in this Practice Note as the ~~first-ex-date and the second-ex-date~~. Where an issuer decides on a record date without book closure, the record date and the ~~second-ex-date~~ will fall on the same day.

3. The Exchange’s Requirements

...

(2) Emergency Share Registration Arrangements During a No. 8 Typhoon Warning Signal or above (“No. 8 signal or above”) or “Extreme Conditions”

Note: For the purposes of this paragraph 3(2) and the Table set out in Appendix A to this Practice Note only:—

...

- (iv) *where an issuer decides on a record date without book closure, the last day for accepting shares for registration is the record date and accordingly the deferment requirements with respect to the ~~second-ex-date~~ apply to the record date.*

~~In the event of a No. 8 signal or above or “extreme conditions” occurring on the first ex-date, no change will be made in respect of the first ex-date, the last time for accepting shares for registration or the book close date.~~

~~However, a~~A No. 8 signal or above or “extreme conditions” occurring on the ~~second~~ ex-date may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a No. 8 signal or above or “extreme conditions” occurring on the ~~second~~ ex-date, the following arrangements will apply:

- (a) Where the No. 8 signal or above is hoisted or remains hoisted, and/or “extreme conditions” are announced or remain in force, between 9 am and 12 noon and is/are not lowered or cancelled at or before 12 noon:—
 - i) the ~~second~~ ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of normal business hours on such deferred ~~second~~ ex-date; and
 - ii) the book-close date shall be automatically postponed to the day following such deferred ~~second~~ ex-date;
- (b) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 12 noon and 3 pm:—
 - i) the ~~second~~ ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of normal business hours on such deferred ~~second~~ ex-date; and
 - ii) the book-close date shall be automatically postponed to the day following such deferred ~~second~~ ex-date;
- ...
- (d) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm but lowered or cancelled at or before 9 am on the next business day:—
 - i) the ~~second~~ ex-date shall be deferred to such next business day, and the last time for accepting shares for registration shall be deferred to 12 noon on such deferred ~~second~~ ex-date; and
 - ii) the book-close date shall be automatically postponed to the day following such deferred ~~second~~ ex-date;
- (e) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm but lowered or cancelled after 9 am but at or before 12 noon on the next business day:—
 - i) the ~~second~~ ex-date shall be deferred to such next business day, and the last time for accepting shares for registration shall be deferred to 5 pm on such deferred ~~second~~ ex-date; and
 - ii) the book-close date shall be automatically postponed to the day following such deferred ~~second~~ ex-date;
- (f) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm but not lowered or cancelled until after 12 noon on the next business day:—
 - i) the ~~second~~ ex-date shall be deferred to the following business day, and the last time for accepting shares for registration shall be deferred to 12 noon on such deferred ~~second~~ ex-date; and

- ii) the book-close date shall be automatically postponed to the day following such deferred ~~second~~ ex-date;

...

- (j) Where any of the events referred to in sub-paragraphs (a) - (g) above occurs on any deferred ~~second~~ ex-date or on a postponed book-close date, the same arrangements will apply mutatis mutandis;

...

(3) Emergency Share Registration Arrangements During a Black Rainstorm Warning

Note: For the purposes of this paragraph 3(3) and the Table set out in Appendix B to this Practice Note only:—

...

- (iv) *where an issuer decides on a record date without book closure, the last day for accepting shares for registration is the record date and accordingly the deferment requirements with respect to the ~~second~~ ex-date apply to the record date.*

~~In the event of a black rainstorm warning occurring on the first ex-date, no change will be made in respect of the first ex-date, the last time for accepting shares for registration or the book-close date.~~

~~However, a~~A black rainstorm warning occurring on the ~~second~~ ex-date may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a black rainstorm warning occurring on the ~~second~~ ex-date, the following arrangements will apply:—

- (a) Where a black rainstorm warning is issued before 9 am and remains in effect at 12 noon:—
 - i) the ~~second~~ ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of normal business hours on such deferred ~~second~~ ex-date; and
 - ii) the book-close date shall be automatically postponed to the day following such deferred ~~second~~ ex-date;

...

- (f) Where any of the events referred to in sub-paragraphs (a)—(c) above occurs on any deferred ~~second~~ ex-date or on a postponed book-close date, the same arrangements will apply mutatis mutandis;

...

...

APPENDIX A TO PRACTICE NOTE 8
EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING
A NO. 8 SIGNAL OR ABOVE OR “EXTREME CONDITIONS”

Event	Issue/cancellation of a typhoon warning signal or “extreme conditions” on the ~~second~~ ex-date		~~Second~~ Ex-date	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
	Time	Status		Last Time for Accepting Shares for Registration (see Note (iii) to paragraph 3(2))			
(a)	9 am - 12 noon	No. 8 signal or above is hoisted or remains hoisted and is not lowered at or before 12 noon; and/or “Extreme conditions” are announced or remain in force and are not cancelled at or before 12 noon	Deferred to the next business day	Deferred to the end of normal business hours on such deferred ~~second~~ -ex-date	Automatically postponed to the day following such deferred- ~~second~~ ex-date	The book-closure period may be extended in accordance with the delay to the book-close date so that the length of book-closure period remains the same	No announcement required unless:- i) the dividend payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or
(b)	12 noon – 3 pm	No. 8 signal or above is hoisted during this period; and/ or “Extreme conditions” are announced during this period					ii) the end of the book-closure period is deferred. In both cases the listed issuer must notify the Exchange in writing and publish in accordance with rule 2.07C an announcement of such change as soon as practicable
...							

Event	Issue/cancellation of a typhoon warning signal or “extreme conditions” on the ~~second~~ ex-date		~~Second~~ Ex-date	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
	Time	Status		Last Time for Accepting Shares for Registration (see Note (iii) to paragraph 3(2))			
(d)	3 pm - 4 pm	No. 8 signal or above is hoisted but lowered at or before 9 am on the next business day; and/or “Extreme conditions” are announced but cancelled at or before 9 am on the next business day	Deferred to such next business day	Deferred to 12 noon on such deferred ~~second~~ ex-date	Automatically postponed to the day following such deferred ~~second~~ ex-date	The book-closure period may be extended in accordance with the delay to the book-close date so that the length of book-closure period remains the same	No announcement required unless:- i) the dividend payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or ii) the end of the book-closure period is deferred. In which case the listed issuer must notify the Exchange in writing and publish an announcement of such change in accordance with rule 2.07C as soon as practicable
(e)	3 pm - 4 pm	No. 8 signal or above is hoisted but lowered after 9 am but at or before 12 noon on the next business day; and/or “Extreme conditions” are announced but cancelled after 9 am but at or before 12 noon on the next business day	Deferred to such next business day	Deferred to 5 pm on such deferred ~~second~~ ex-date	Automatically postponed to the day following such deferred ~~second~~ ex-date		
(f)	3 pm - 4 pm	No. 8 signal or above is hoisted but not lowered until after 12 noon on the next business day; and/or “Extreme conditions” are announced but not cancelled until after 12 noon on the next business day	Deferred to the following business day	Deferred to 12 noon on such deferred ~~second~~ ex-date	Automatically postponed to the day following such deferred ~~second~~ ex-date		

Event	Issue/cancellation of a typhoon warning signal or “extreme conditions” on the ~~second~~ ex-date		~~Second~~ Ex-date	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
	Time	Status		Last Time for Accepting Shares for Registration (see Note (iii) to paragraph 3(2))			
...							

N.B.: Where any of the above events happens on a deferred-~~second~~ ex-date or on a postponed book-close date, the relevant arrangements set out above will apply mutatis mutandis.

**APPENDIX B TO PRACTICE NOTE 8
EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING
A BLACK RAINSTORM WARNING**

Event	Issue/cancellation of a black rainstorm warning on the ~~second~~ ex-date		~~Second~~ Ex-date	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
	Time	Status		Last Time for Accepting Shares for Registration (see Note (iii) to paragraph 3(3))			
(a)	Before 9 am	A black rainstorm warning is issued and remains in effect at 12 noon	Deferred to the next business day	Deferred to the end of normal business hours on such deferred ~~second~~ ex-date	Automatically postponed to the day following such deferred ~~second~~ ex-date	The book-closure period may be extended in accordance with the delay to the book-close date so that the length of book-closure period remains the same	No announcement required unless:- i) the dividend payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or ii) the end of the book-closure period is deferred. In both cases the listed issuer must notify the Exchange in writing and publish in accordance with rule 2.07C an announcement of such change as soon as practicable
...							

N.B.: Where any of the above events happens on a deferred ~~second~~ ex-date or on a postponed book-close date, the relevant arrangements set out above will apply mutatis mutandis.

Schedule B: Amendments to the GEM Listing Rules

Chapter 17

EQUITY SECURITIES

CONTINUING OBLIGATIONS

...

Trading and Settlement

...

Closure of books and record date

- 17.78 (1) (a) An issuer must set a record date for determining the identity of securities holders eligible for attending and voting at the general meeting or receiving entitlements.
- (b) An issuer must announce (a) the record date and (b) any closure of its transfer books or register of members in respect of securities listed in Hong Kong. For a rights issue, such announcement must be made at least six business days before the record date (when there is no book closure) or book closure date, or in all other cases, 10 business days before the record date (when there is no book closure) or book closure in other cases. Where there is an alteration of the record date or book-close dates, a further notice shall be given at least five business days before (i) the announced record date (where there is no book closure)/book closure or (ii) the new record date (where there is no book closure)/book closure, whichever is earlier, unless exceptional circumstances render the giving of such notice impossible, in which case, a further notice (by way of an announcement) should be given as soon as practicable, save that no further notice need be given in the circumstances referred to in rules 17.79 to 17.80.
- (2) An issuer must ensure that the last day for trading in the securities with entitlements falls at least one business day after the general meeting, if the entitlements require the approval of shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting.

Notes:

1. *For a rights issue, the issuer must provide at least two trading days for trading in the securities with entitlements (i.e. before the ex-dates, as referred to in rules 17.79 and 17.80) after publication of the record date (when there is no book closure) or book closure. If trading on the*

Exchange is interrupted, the record date (when there is no book closure) or book-close date will be postponed, where necessary, to provide at least two trading days (during neither of which trading is interrupted) for trading of the securities with entitlements during the notice period. In these circumstances the issuer must publish an announcement on the revised timetable.

2. For the purposes of rule 17.78(2),

- *the record date (when there is no book closure) or the last registration date (when there is a book closure) must be at least ~~three~~two business days after the general meeting; and*
- *if the issuer fails to publish the result of the poll conducted in the general meeting in the manner prescribed under rule 17.47(5), it must ensure there is at least one trading day for trading in the securities with entitlements after publication of the results of the poll. The issuer must publish an announcement on any revised timetable.*

Emergency share registration arrangement during a No.8 typhoon warning signal or above (“No. 8 signal or above”) or “extreme conditions”

17.79 Under the T+~~2~~1 settlement system, securities trade ex-entitlement for ~~two~~one trading days before the book close date. ~~The These two trading days is~~are referred to in this rule and rule 17.80 as the ~~first ex-date and the second ex-date~~. Where an issuer decides on a record date without book closure, the record date and the ~~second~~ ex-date will fall on the same day. ~~In the event of a No. 8 signal or above or “extreme conditions” occurring on the first ex-date, no change will be made in respect of the first ex-date, the last time for accepting shares for registration or the book-close date. However, a~~ No. 8 signal or above or “extreme conditions” occurring on the ~~second~~ ex-date may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a No. 8 signal or above or “extreme conditions” occurring on the ~~second~~ ex-date, the following arrangements will apply:—

- (1) Where the No. 8 signal or above is hoisted or remains hoisted, and/or “extreme conditions” are announced or remain in force, between 9 am and 12 noon and is/are not lowered or cancelled at or before 12 noon:—
 - (a) ~~the second~~ ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of normal business hours on such deferred ~~second~~ ex-date; and
 - (b) the book-close date shall be automatically postponed to the day following such deferred ~~second~~ ex-date;
- (2) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 12 noon and 3 pm:—
 - (a) ~~the second~~ ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of normal business hours on such deferred ~~second~~ ex-date; and

- (b) the book-close date shall be automatically postponed to the day following such deferred-~~second~~ ex-date;

...

- (4) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm but lowered or cancelled at or before 9 am on the next business day:—

- (a) the-~~second~~ ex-date shall be deferred to such next business day, and the last time for accepting shares for registration shall be deferred to 12 noon on such deferred-~~second~~ ex-date; and

- (b) the book-close date shall be automatically postponed to the day following such deferred-~~second~~ ex-date;

- (5) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm but lowered or cancelled after 9 am but at or before 12 noon on the next business day:—

- (a) the-~~second~~ ex-date shall be deferred to such next business day, and the last time for accepting shares for registration shall be deferred to 5 pm on such deferred-~~second~~ ex-date; and

- (b) the book-close date shall be automatically postponed to the day following such deferred-~~second~~ ex-date;

- (6) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm but not lowered or cancelled until after 12 noon on the next business day:—

- (a) the-~~second~~ ex-date shall be deferred to the following business day, and the last time for accepting shares for registration shall be deferred to 12 noon on such deferred-~~second~~ ex-date; and

- (b) the book-close date shall be automatically postponed to the day following such deferred-~~second~~ ex-date;

...

- (10) Where any of the circumstances referred to in sub-paragraphs (1) to (7) above occurs on any deferred-~~second~~ ex-date or on a postponed book-close date, the same arrangements will apply mutatis mutandis;

...

Notes: ...

- 2 *For the purposes of this rule and Table 1 set out at the end of this Chapter:—*

...

- (e) *where an issuer decides on a record date without book closure,*

the last day for accepting shares for registration is the record date and accordingly the deferment requirements with respect to the ~~second~~ ex-date apply to the record date.

...

Emergency share registration arrangements during a black rainstorm warning

17.80 ~~In the event of a black rainstorm warning occurring on the first ex-date (as defined in rule 17.79), no change will be made in respect of the first ex-date, the last time for accepting shares for registration or the book-close date (as defined in rule 17.79). However, a~~ A black rainstorm warning occurring on the ~~second~~ ex-date (as defined in rule 17.79) may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a black rainstorm warning occurring on the ~~second~~ ex-date, the following arrangements will apply:-

- (1) Where a black rainstorm warning is issued before 9 am and remains in effect at 12 noon:—
 - (a) the ~~second~~ ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of normal business hours on such deferred ~~second~~ ex-date; and
 - (b) the book-close date shall be automatically postponed to the day following such deferred ~~second~~ ex-date;

...

- (6) Where any of the circumstances referred to in sub-paragraphs (1) to (3) above occurs on any deferred ~~second~~ ex-date or on a postponed book-close date, the same arrangements will apply mutatis mutandis;

- (7) ...

Notes: ...

- 2 *For the purposes of this rule and Table 2 set out at the end of this Chapter:—*

...

- (e) *where an issuer decides on a record date without book closure, the last day for accepting shares for registration is the record date and accordingly the deferment requirements with respect to the ~~second~~ ex-date apply to the record date.*

...

TABLE 1 (CHAPTER 17)
EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING
A NO. 8 SIGNAL OR ABOVE OR “EXTREME CONDITIONS”

Event	Issue/cancellation of a typhoon warning signal or “extreme conditions” on the ~~second~~ ex-date		~~Second~~ Ex-date	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
	Time	Status		Last Time for Accepting Shares for Registration (see Note 2(d) to rule 17.79)			
(1)	9 am - 12 noon	No. 8 signal or above is hoisted or remains hoisted and is not lowered at or before 12 noon; and/or “Extreme conditions” are announced or remain in force and are not cancelled at or before 12 noon	Deferred to the next business day	Deferred to the end of normal business hours on such deferred ~~second~~ ex-date	Automatically postponed to the day following such deferred ~~second~~ ex-date	The book-closure period may be extended in accordance with the delay to the book-closure date so that the length of book-closure period remains the same	No announcement required unless:- (i) the dividend payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or (ii) the end of the book-closure period is deferred. In both cases the listed issuer must publish a notice of such changes as soon as practicable.
(2)	12 noon – 3 pm	No. 8 signal or above is hoisted during this period; and/ or “Extreme conditions” are announced during this period					
...							
(4)	3 pm - 4 pm	No. 8 signal or above is hoisted but lowered at or before 9 am on the next business day; and/or	Deferred to such next business day	Deferred to 12 noon on such deferred ~~second~~ ex-date	Automatically postponed to the day following such deferred ~~second~~ ex-date	The book-closure period may be extended in accordance with the delay to the book-	No announcement required unless:- (i) the dividend payment date is also deferred, in which

Event	Issue/cancellation of a typhoon warning signal or “extreme conditions” on the ~~second~~ ex-date		~~Second~~ Ex-date	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
	Time	Status		Last Time for Accepting Shares for Registration (see Note 2(d) to rule 17.79)			
		“Extreme conditions” are announced but cancelled at or before 9 am on the next business day				close date so that the length of book-closure period remains the same	(ii) the end of the book-closure period is deferred. In both cases the listed issuer must publish a notice of such changes as soon as practicable.
(5)	3 pm - 4 pm	No. 8 signal or above is hoisted but lowered after 9 am but at or before 12 noon on the next business day; and/or “Extreme conditions” are announced but cancelled after 9 am but at or before 12 noon on the next business day	Deferred to such next business day	Deferred to 5 pm on such deferred ~~second~~ ex-date	Book-close date automatically postponed to the day following such deferred ~~second~~ ex-date		
(6)	3 pm - 4 pm	No. 8 signal or above is hoisted but not lowered until after 12 noon on the next business day; and/or “Extreme conditions” are announced but not cancelled until after 12 noon on the next business day	Deferred to the following business day	Deferred to 12 noon on such deferred ~~second~~ ex-date	Automatically postponed to the day following such deferred ~~second~~ ex-date		
...							

N.B.: Where any of the above events happens on a deferred ~~second~~ ex-date or on a postponed book-close date, the relevant arrangements set out above will apply mutatis mutandis.

TABLE 2 (CHAPTER 17)
EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING A BLACK RAINSTORM WARNING

Event	Issue/cancellation of a black rainstorm warning on the ~~second~~ ex-date		~~Second~~ Ex-date	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
	Time	Status		Last Time for Accepting Shares for Registration (see Note 2(d) to rule 17.80)			
(1)	Before 9 am	A black rainstorm warning is issued and remains in effect at 12 noon	Deferred to the next business day	Deferred to the end of normal business hours on such deferred ~~second~~ ex-date	Automatically postponed to the day following such deferred ~~second~~ ex-date	The book-closure period may be extended in accordance with the delay to the book-close date so that the length of book-closure period remains the same	No announcement required unless:- (i) the dividend payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or (ii) the end of the book-closure period is deferred. In both cases the listed issuer must publish a notice of such changes as soon as practicable.
...							

N.B.: Where any of the above events happens on a deferred ~~second~~ ex-date or on a postponed book-close date, the relevant arrangements set out above will apply mutatis mutandis.

APPENDIX V: PRIVACY NOTICE

Hong Kong Exchanges and Clearing Limited and its affiliated companies as referred in the **Annex** (together "HKEX", "we", "our" or "us") are committed to protecting all Personal Data under our custody, control, or possession. Under applicable data protection laws, HKEX is the "Data Controller". "Personal Data" is any information that relates to an identifiable individual or can be used to identify an individual ("Data Subject" or "you", if/where applicable).

This privacy notice ("**Notice**") sets out the Personal Data that we collect and process from Data Subjects who respond to our public consultation papers and/or white papers, how we process those Personal Data, to whom those Personal Data may be transferred to, how we protect those Personal Data, and Data Subject rights under applicable data protection laws. For those Data Subjects from certain jurisdictions specifically referred to in this Notice, there may be additional rights and provisions that apply depending on their location and status, which are further stated in the relevant **Addendum** to supplement the generally applicable provisions of this Notice. By providing your Personal Data to HKEX in responding to our public consultation papers and/or white papers, you acknowledge that you understood this Notice.

We may revise this Notice from time to time to reflect any relevant developments relating to our business or operations that may impact upon our processes, functions or activities referred in this Notice, or due to changes in any applicable laws or regulations (as the case may be). To the extent required under applicable data protection laws, we will notify Data Subjects of material changes of this Notice and, if/where required, seek their consent.

If HKEX is not provided with correct or complete Personal Data, we may not be able to ensure that the correct details are published or contact respondents if we have queries about their comments. We may also be unable to process requests relating to your rights as a Data Subject under the applicable data protection laws.

The Notice is available in English and Chinese versions. In the event of any conflicts or discrepancies between these different language versions, the English version shall prevail.

1. What Personal Data do we collect? How do we collect it?

Information directly submitted by or collected from you:

- Identity data such as name and position in a company;
- Contact data such as phone number and email address;
- Opinion data such as your response to the consultation paper and/or white paper; and
- Communications data such as subsequent correspondence with you to clarify your comments or to confirm your identity data.

Specifically, for further information on our Personal Data collection for Data Subjects in Chinese Mainland, please see **Addendum 1**; and for Data Subjects who are California residents, please see **Addendum 2**.

2. Legal Basis

The "Legal Basis" is what data protection laws set out as the lawful reasons for processing Personal Data, such as a legitimate interest to operate our business so long as it does not materially and adversely impact your interests, rights, and freedoms.

Legal Basis	Purpose
Legitimate Interests	- Opinion data as part of the consultation process to understand the market/ public response to the proposal(s) set out in the consultation paper and/or white paper. - Identity and contact data to verify and clarify responses. - Identity data where consent has been provided for external publication.
Public Interest	We may also process your personal data on the basis that it is necessary for the performance by HKEX of a task in the public interest.
Consent	Separate consent required for Data Subjects in Chinese Mainland, please see Addendum 1.
Legal or Regulatory Obligations	- Discharge the functions of HKEX and any company of which HKEX is the recognised exchange controller. - Comply with a court order, subpoena or other legal process. - Comply with a request by a government authority, law enforcement agency or similar body. - Comply with laws applicable to us including domestic data protection laws.

3. Do we disclose Personal Data to third parties or transfer it to another jurisdiction?

HKEX discloses Personal Data to third parties that may facilitate our processes, functions or activities for or relating to our consultation papers and/or white papers, including without limitation the following:

- Affiliates of Hong Kong Exchanges and Clearing Limited;
- Our contractors or vendors who provide telecommunications, IT security, or other technical assistance;
- Our vendors who facilitate the availability of online forms;
- Our vendors who provide strategy or other consultancy services in respect of our businesses; and
- Our agents, contractors or vendors who provide administrative support to us.

To fulfil our legal obligations, we may also share your Personal Data with courts, regulatory authorities, government and law enforcement agencies, and other public authorities.

Further details about these third parties may be provided upon request to the address in the “**Contact Us**” section. We endeavour to provide such information to the extent we are required to do so under applicable data protection laws.

Where required under applicable data protection laws, we will only disclose Personal Data to third parties with your prior consent. In certain jurisdictions, we may also be required to take additional measures prior to giving effect to such transfers (e.g. carrying out privacy impact assessments prior to the transfer).

HKEX may process Personal Data outside of Data Subject’s home jurisdiction, including sharing Personal Data with third parties referred above. HKEX shall use reasonable endeavours to ensure that the laws and regulations of the destination jurisdiction shall offer the same or comparable level of protection for Personal Data. Where this is not the case, we shall ensure appropriate safeguards are in place at the time of the transfer by implementing standard contractual clauses or other data transfer mechanism approved by the authorities of the relevant jurisdiction. Where required under applicable data protection laws, we shall also carry out additional measures for the offshore transfer such as carrying out a privacy impact assessment.

The regions where Personal Data may be hosted or transferred to will vary from time to time, but typically include Hong Kong, the UK, US, EU, Switzerland, Singapore, Japan, India, and Chinese Mainland. Further details on the processing locations and our measures for safeguarding international transfers of Personal Data (including adequacy decisions) may be obtained upon request to the address in the “**Contact Us**” section.

4. How long do we keep the Personal Data?

Your Personal Data will be retained by us for as long as is necessary to fulfil the purposes required for the processing outlined in this Notice and, in any event, retained in accordance with our internal policies and applicable law. HKEX will also refer to the following factors when determining or confirming the appropriate retention period of Personal Data:

- original purpose of collection;
- termination of any contract involving the Data Subject's Personal Data;
- limitation period as defined in the applicable law;
- existence of any legal or regulatory investigations or legal proceedings;
- specific laws or regulations setting out HKEX's functions, obligations, and responsibilities;
- retention period set out in non-statutory guidelines issued by our regulators or international bodies;
- sensitivity of the Personal Data and the degree of risk from the associated processing activity.

We will retain Personal Data in accordance with our prevailing internal policies and/or standards, including our Group Personal Data Retention Standard. Further details of our Personal Data retention period may be obtained upon request to the address in the "**Contact Us**" section.

Where any Personal Data is no longer necessary for the purposes for which it is collected, we shall cease the processing of that Personal Data as soon as reasonably practicable (although all or part of that Personal Data may continue to be retained as necessary for archival purposes, use in any actual or potential dispute, or compliance with any applicable laws, as the case may be), and take reasonable measures to delete or destroy the relevant Personal Data.

5. How do we keep your Personal Data secure?

We will take all practicable and reasonable steps to promote the security of the Personal Data we process in a manner consistent with applicable data protection laws and established international security standards, including physical, technical and administrative safeguards to help prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks, such as Personal Data storage in a secure operating environment with restricted access, and relevant third parties being required to apply appropriate safeguards.

Where we occasionally provide links to any third-party websites (if any), this Notice will not apply, and we recommend that you check their respective privacy statements to understand how your Personal Data will be governed.

6. Rights over your Personal Data

As a summary, certain Data Subject rights may be exercised to the extent provided under applicable data protection laws that apply to you:

- confirm whether we hold your Personal Data and the type of your Personal Data held by us;
- access a copy of your Personal Data held by us;
- delete your Personal Data held by us;
- correct or supplement your Personal Data where it is found to be inaccurate or incomplete;
- restrict the processing performed on your Personal Data in certain circumstances;
- object to our use, or withdraw your consent to our processing, of your Personal Data relating to certain circumstances;
- transfer your Personal Data processed by us by automated means back to you or to another party in machine-readable format.

In certain jurisdictions, Data Subjects may be provided with additional rights. For Data Subjects in Chinese Mainland, please see [Addendum 1](#); for Data Subjects who are California residents, please see [Addendum 2](#); for Data Subjects in the UK or EU, please see [Addendum 3](#); and for Data Subjects in Singapore, please see [Addendum 4](#).

Where these rights apply, we shall use reasonable endeavours to fulfil the request or provide an explanation. If you withdraw your consent to the processing of your Personal Data, this will not affect any processing which has already taken place based on that consent. Please note that under applicable data protection laws, we may be limited in what Personal Data we can disclose which is also for the protection of your Personal Data.

We will endeavour to respond to you as soon as possible and, in any event, within the timeframe stipulated under applicable data protection law. In the event of a potential delay, we will provide an explanation and expected timeframe for delivery. Under applicable data protection law, we may also be required to charge a reasonable fee for the cost of processing the request.

Please note that we may need to seek confirmation of identity or clarification in order to fulfil the request. If you as the Data Subject would like to appoint an authorised agent to make a request on your behalf, we may require you to verify your identity with us directly before we provide any requested information to your authorised agent unless your authorised agent has power of attorney or acts as a conservator. Information collected for purposes of verifying your request will only be used for verification. For deletion requests under applicable data protection laws that apply to you, you will be required to submit a verifiable request for deletion and then confirm separately that you want Personal Data about you to be deleted.

If you would like to exercise your Data Subject rights, please contact HKEX Group Data Protection Office under the “**Contact Us**” section.

7. Contact Us

If you have any questions or comments relating to the content of this Notice, report any concerns about our Personal Data processing, or if you would like to exercise your Data Subject Rights, please contact us through any of the channels below:

By post:	Group Data Protection Officer HKEX Group Data Protection Office Hong Kong Exchanges and Clearing Limited 8/F., Two Exchange Square 8 Connaught Place Central Hong Kong
By email:	DataPrivacy@hkex.com.hk

Specifically, for Data Subjects in the UK or EU, please refer to the applicable contact channels as set out in **Addendum 3**.

Please include the following details in any request to exercise your Data Subject Rights (**required field*):

Identity of Data Subject:	• Full Name* • Company Name (if applicable) • Email Address* • Address of principal residence • Contact details held on file or document(s) to verify identity* • Identity particulars of the authorised agent (if acting on behalf of Data Subject)
Nature of the Request:	• Specific Right* • Product or Service to which the Data Subject has subscribed* • Purpose of the Request* • Preferred communication channel and address for receiving the results of the request* • Document(s) to support the rights request

Any Data Subject who has contacted us to express concerns about the way we manage their Personal Data and is of the view that we have not addressed the matter satisfactorily, may also contact the relevant privacy regulator to resolve the matter or seek assistance. If/where applicable, please see the relevant Addendum for further details.

Last updated: 24 August 2026

Annex

This Notice relates to privacy practices of our group entities, including but not limited to those listed below. Further details of the full list of our group entities and their contact details may be obtained upon request to the address in the “**Contact Us**” section.

- The Stock Exchange of Hong Kong Limited
 - The Stock Exchange Of Hong Kong Limited Singapore Branch
- Hong Kong Futures Exchange Limited
 - Hong Kong Futures Exchange Limited Singapore Branch
- Hong Kong Securities Clearing Company Limited
- HKFE Clearing Corporation Limited
- The SEHK Options Clearing House Limited
- OTC Clearing Hong Kong Limited
- HKEX Information Services Limited
- HKEX Information Services (China) Limited
- HKEX (China) Limited
- HKEX Investment (China) Limited
- HKEX Investment (Hong Kong) Limited
- Qianhai Mercantile Exchange Co. Limited
- HKEX (U.S.) LLC
- Integrated Fund Platform Limited
- HKEX (Middle East) Limited
- Core Climate Global Limited
- Sustainable and Green Exchange Limited

Addendum

Addendum 1 – Addendum for Data Subjects in Chinese Mainland

In addition to the generally applicable provisions in the Notice, this addendum sets out additional information for the corresponding sections that specifically apply to Data Subjects in Chinese Mainland:

Section 1 – What Personal Data do we collect? How do we collect it?

Information directly submitted by or collected from you:

- to verify your identity, we may process your name, position, phone number, and email address;
- to communicate with you, we may process your name, position, phone number, and email address;
- to register your response in our records or change your response upon your request, we may process your name, position, answers and reasons for those answers; and
- to prepare our publication material, we may process and publish your name and position (where your consent has been provided), and your answers and reasons for those answers.

Section 2 – Legal Basis

Without affecting other provisions in Section 2 of the Notice, the specific row on consent as the applicable legal basis for processing of Personal Data of Data Subjects in Chinese Mainland will read as follows:

Legal Basis	Purpose
Consent	• Separate consent: required if you are a Data Subject in Chinese Mainland and we need to share your Personal Data with a third party, publicly disclose it, or transfer it outside of Chinese Mainland.

Section 6 – Rights over your Personal Data

Additional rights for Data Subjects in Chinese Mainland:

- Explain the rules of processing Personal Data;
- Extend Data Subject rights to a surviving next-of-kin where the applicable laws permit;
- Transfer Data Subject's Personal Data to his/her designated party, where the applicable laws permit.

Addendum 2 – Addendum for Data Subjects who are California residents

To the extent that the California Consumer Privacy Act and California Privacy Rights Act apply, in addition to the generally applicable provisions in the Notice, this addendum sets out additional information for the corresponding sections that specifically apply to Data Subjects who are California residents:

Section 1 - What Personal Data do we collect? How do we collect it?

The types of Personal Data we collect (and have collected in the past 12 months) includes the categories listed below, as defined by California state law:

Category	Source	Purpose of Processing
Personal identifiers such as your name and email address	Collected directly from you	For verification of identity, clarification of comments, record keeping and/or publication
Information About You including your name, position, and telephone number		

Section 6 – Rights over your Personal Data

Additional rights for Data Subjects who are California residents:

- Request that we disclose the categories of third parties with whom we have shared the information and the categories of Personal Data that we have shared with third parties for a business purpose (if any).

We are only obligated to respond to Personal Data requests from the same Data Subject up to two times in a 12-month period.

Addendum 3 – Addendum for Data Subjects in the UK or EU

In addition to the generally applicable provisions in the Notice, this addendum sets out additional information for the corresponding sections that specifically apply to Data Subjects in the UK or EU:

Section 6 – Rights over your Personal Data

Additional rights for Data Subjects in the UK or EU:

- Object to certain processing: you have the right to object to processing to the extent we process your Personal Data because such processing is based on our legitimate interests.

Section 7 – Contact Us

For Data Subjects in the UK or EU, if you have any questions or comments relating to the content of this Notice, report any concerns about our Personal Data processing, or if you would like to exercise your Data Subject Rights, please contact us through your applicable channel below:

UK Representative:	10 Finsbury Square, London, EC2A 1AJ, United Kingdom
EU Representative:	Pursuant to Article 27 of the General Data Protection Regulation (GDPR), HKEX has appointed European Data Protection Office (EDPO) as its GDPR Representative in the EU. You can contact EDPO regarding matters pertaining to the GDPR: • by using EDPO's online request form: https://edpo.com/gdpr-data-request/ • by writing to EDPO at Avenue Huart Hamoir 71, 1030 Brussels,

	Belgium
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As already mentioned above in Section 7, any Data Subject who has contacted us to express concerns about the way we manage their Personal Data and is of the view that we have not addressed the matter satisfactorily, may also contact the relevant privacy regulator to resolve the matter or seek assistance.

The privacy regulator in the United Kingdom is the Information Commissioner, who may be contacted at <https://ico.org.uk/make-a-complaint/> or by post to: Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, United Kingdom.

If you live outside of the UK, you may contact the relevant data privacy regulator in your country of residence.

Addendum 4 – Addendum for Data Subjects in Singapore

In addition to the generally applicable provisions in the Notice, this addendum sets out additional information for the corresponding section that specifically applies to Data Subjects in Singapore:

Section 6 – Rights over your Personal Data

Additional rights for Data Subjects in Singapore:

- In certain circumstances, receive information about the ways in which Personal Data has been or may have been used or disclosed by us in the year before the date of the request.

Hong Kong Exchanges and Clearing Limited

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