

Investor Identification Regime at Trading Level for the Securities Market in Hong Kong (HKIDR)

Frequently Asked Questions on Broker-to-Client Assigned Number (BCAN) Submission and Order Tagging Related Topics

(Version Date: 28 January 2022)

A. Submission of BCAN-CID Mapping File via ECP

1. When should a Relevant Regulated Intermediaries (RRI) ¹ submit the Client Identification Data (CID)? (26 November 2021)

A RRI which assigns the BCAN² to the Relevant Client³ should also be the RRI which collects the CID from that client. After collection of the CID, the RRI should put the CID and BCAN information of the client into a file, namely “BCAN-CID Mapping File”, and submit to SEHK via the Electronic Communication Platform (ECP) before the prescribed cut-off time of 4:30pm on the day before the trading day (T-1 day).

2. Under what circumstances is the BCAN-CID Mapping File not required to be submitted on or before T-1 day? (26 November 2021)

For new clients to trade on the day of account opening or clients whose accounts have remained dormant⁴ to trade on the day when their dormant accounts become re-activated (i.e. the day of entering into a trade), their BCAN-CID Mapping files are allowed

¹ A Relevant Regulated Intermediary, under the HKIDR, refers to a licensed corporation or a registered institution which (i) submits (or arranges to submit) for execution an on-exchange order; (ii) carries out an off-exchange order; or (iii) reports an off-exchange trade directly as an exchange participant to SEHK according to its rules, in connection with: (i) carrying out proprietary trading; or (ii) providing securities brokerage services for another person in respect of orders placed through an account opened and maintained for that person.

² BCAN refers to a “Broker-to-Client Assigned Number”, being a unique identification code in the format prescribed by SEHK, generated by a Relevant Regulated Intermediary in accordance with SEHK’s requirements.

³ Relevant Client refers to a party which has placed or proposes to place a securities order through a securities trading account with a Relevant Regulated Intermediary. Where the order is a proprietary trade, the Relevant Client would refer to a Relevant Regulated Intermediary placing the order for itself. Where an order is routed through an intermediating chain of brokers, a Relevant Client would be the first person in the chain who is not a Relevant Regulated Intermediary.

⁴ Dormant accounts refer to those which have been inactive for 24 months since last trade (irrespective of account balance or movement).

to be submitted either before or after the order is submitted, but in any event by 4:30pm on a trading day (T day).

3. What are the submission channels of the BCAN-CID Mapping File for a RRI? (26 November 2021)

1. RRIs which are EPs can submit the BCAN-CID Mapping File to SEHK via ECP (secure file transfer protocol, SFTP) or through ECP Web Interface by using SEHK assigned login identity (ID) and password or the ID and password for WINGS (Web Integrated Service) platform.
2. Non-EP RRIs can submit the BCAN-CID Mapping File to SEHK via ECP (SFTP) or through ECP Web Interface by using the ID and password for WINGS platform. In case non-EP RRIs prefer to submit BCAN-CID Mapping Files via ECP (SFTP), they are required to install SDNet/2 circuits.
3. BCAN-CID Mapping File can also be submitted by a third party (i.e. On Behalf of (OBO) submission) via ECP Web Interface. The submitter must be authorized and/or delegated by the relevant EPs/non-EP RRIs and use the ID and password for WINGS platform.

Guidelines for the submission of the BCAN-CID Mapping File via ECP Web Interface and ECP (SFTP) Interface will be provided in due course.

4. What happens if a client opens an account on T day and trade on the same day, and the BCAN-CID Mapping File is submitted at 4:15pm but a BCAN record has formatting error, and the revised BCAN Mapping File cannot be resubmitted again by 4:30pm? (26 November 2021)

Such BCAN record will not be recorded by SEHK and will not be shown in the BCAN Full Image File. Without prejudice to any regulatory actions that may be taken against the relevant RRI for potential non-compliance with the relevant requirements, it should submit the correct BCAN Mapping File again on next day as soon as possible.

5. How frequent should a RRI submit a BCAN-CID Mapping File? (26 November 2021)

RRI is required to submit the mapping file whenever there are any changes to the BCAN-CID mapping data. For the avoidance of doubt, a full list of mappings of all Relevant Clients' BCANs and CID is always required to be submitted even if only part of those mappings have been changed (e.g. only a few clients have updated their CID or have opened new accounts or have closed existing accounts).

6. What happens if a RRI does not submit the BCAN-CID Mapping File to SEHK during the submission hour? (26 November 2021)

The mapping records that SEHK previously accepted will remain effective. No BCAN-CID Response File will be given.

7. What is the arrangement for submission of BCAN-CID Mapping Files on T-1 day under severe weather conditions? (26 November 2021)

The ECP Web Interface and ECP (SFTP) Interface will be opened for BCAN-CID Mapping File submission from 7:00am to 4:30pm on each trading day for the Hong Kong securities market, even under severe weather conditions.

8. Is the SFTP facility for Northbound trading under Stock Connect the same as the ECP (SFTP) Interface for HKIDR? (26 November 2021)

Under HKIDR, a new and different SFTP facility is used, which must be initiated from an EP's or non-EP RRI's registered Internet Protocol (IP).

9. After submitting the BCAN-CID Mapping File, when will a RRI receive various BCAN-CID interface files? (26 November 2021)

The available time of various BCAN-CID interface files are summarized as follows:

No	Time	Party	Activity
1	7:00am - 4:30pm	Exchange Participant (EP)/non-EP RRI	a) Submission of BCAN-CID Mapping File (HBCNMAPP).
		HKEX	b) Distribution of BCAN-CID Response File (HBCNMPPR). (within 10 minutes after submitting BCAN-CID Mapping File)
2	6:00pm -11:59pm	HKEX	a) Distribution of BCAN Process Result File (HBCNRSLT). (after 6:00pm on Hong Kong Securities Market trading days)
			b) Distribution of BCAN Full Image File as recorded in HKEX (HBCNFIMG). (after 6:00pm on Hong Kong Securities Market trading days)
3	12:00am on the next calendar day	HKEX	a) System cleanup – all files will be removed from ECP.

10. Is multiple accounts allowed for each business lines of the same RRI in ECP? (Newly added on 28 January 2022)

As mentioned in the [Information Paper](#) (paragraph 23(v)), the ECP will not provide different accounts for different divisions within a RRI to submit multiple BCAN-CID Mapping Files. For the avoidance of doubt, the login credential follows the current settings at ECP / WINGS and no additional accounts will be provided. In such case, the RRI should arrange to consolidate BCAN and CID mapping data received from the different divisions into a single BCAN-CID Mapping File before submission.

It should also be noted that if multiple BCAN-CID Mapping Files are submitted within a day, the last one processed by SEHK before the prescribed cutoff time will be taken as the final record and will overwrite the preceding ones.

B. Preparation of BCAN-CID Mapping File

- 1. If a Relevant Client of a RRI is a trust, whose CID should be collected? And in case the trustee of the trust concerned is (i) an individual trustee or (ii) a group of individual trustees or (iii) a corporate trustee, which “Client Type” should be input in the BCAN-CID Mapping File? (26 November 2021)**

If a Relevant Client of a RRI is a trust, the CID of the trustee(s) should be collected.

In case the trustee of the trust is an individual trustee, the “Client Type” value of “1” (same as that for an individual) should be used. In case the trustee consists of a group of individual trustees, the “Client Type” value of “2” (same as that for a Joint Account) should be used. In case the trustee of the trust is a corporate trustee, the “Client Type” value of “6” (representing “Legal entity – Others”) should be used.

- 2. Can the “Client Type” value be changed in the BCAN-CID Mapping File once registered? If so, how to change it? (26 November 2021)**

Under HKIDR, “Client Type” value is allowed to be updated if necessary. A RRI can update it in the BCAN-CID Mapping File and submit the file to SEHK.

- 3. What should a RRI do if it ceases trading? (26 November 2021)**

If an EP/non-EP RRI ceases trading, they should submit an “empty” mapping file with no BCAN and CID data (i.e. mapping file with header and control records only). The system will then mark the BCAN-CID mapping records that were submitted previously as “Inactive”.

- 4. Can I provide the first 4 characters of the identity document number in the BCAN-CID Mapping File only? (26 November 2021)**

Exact identity document number should be provided - including characters, numbers, and symbols like brackets. For example, if the identity document number on the official document is “A123456(7)”, then “A123456(7)”(including brackets) should be provided in the BCAN-CID Mapping File.

- 5. Can an entity consolidate all of the BCAN and CID information of its affiliates and submit one BCAN-CID Mapping File to SEHK? (26 November 2021)**

No, a RRI should only submit the BCAN-CID mappings of its Relevant Clients (i.e. a BCAN-CID Mapping File should not contain BCAN-CID mappings of Relevant Clients of another RRI).

However, BCAN-CID Mapping File can also be submitted by a third party (i.e. On Behalf of (OBO) submission) who is authorized and/or delegated by the relevant EPs/non-EP RRIs through the ID and password assigned for WINGS platform.

- 6. If I am uploading on behalf of my affiliate as well (authorization and delegation obtained), should I upload two different sets of BCAN-CID Mapping Files to SEHK or combine BCAN and CID mapping of all customers of our affiliates to a single file before uploading? (Newly added on 28 January 2022)**

In such case two different BCAN-CID Mapping Files should be submitted, i.e. one BCAN-CID Mapping File for each RRI. Each BCAN-CID Mapping File should not contain BCAN-CID mappings of Relevant Clients of another RRI.

- 7. Is it acceptable to use the BCAN assigned for the Northbound (NB) Investor ID regime for the HKIDR? And if yes, how can I reuse it? (Newly added on 28 January 2022)**

The HKIDR and the NB Investor ID Regime which was launched on 26 September 2018 under Stock Connect are expected to work independently.

For those EPs who are registered as China Connect Exchange Participants or EPs trading through a China Connect Exchange Participant, they may assign the same or different BCAN (i.e. the randomly assigned number not exceeding 10 digits) to a client under both regimes. If a RRI wish to reuse the NB BCAN for the HKIDR, please add the SFC's CE number of the RRI assigning the BCAN, followed by a dot in front of the NB BCAN, i.e. if the NB BCAN is 1234567890, the BCAN under HKIDR will be ABC123.1234567890 (where ABC123 is the SFC's CE number of the RRI).

- 8. Must the client's name in the BCAN-CID Mapping File be the same as in the official identity document? (Updated on 28 January 2022)**

The Chinese and English names in the BCAN-CID mapping data submitted must be exactly the same as in the official identity document. For example, if the name in the official identity document is in Simplified Chinese, then the name in the BCAN-CID mapping data must also be in Simplified Chinese. In case the name in the national identification document is not in Chinese or English, the guidance issued by the SFC as contained in the relevant FAQ should be referred to.

C. Preparation and submission of reporting forms

1. There are a number of reporting forms under HKIDR, what are the responsible parties to submit each reporting form? (26 November 2021)

Please see below for the corresponding parties to submit each type of reporting forms.

Reporting Forms	Purpose	Party to submit	Validation by HKEX	
Aggregated Transaction Report	For reporting the underlying allocation and BCANs of matched aggregated orders and aggregated off-exchange trades	RRIs (EPs or non-EPs) who aggregate the order	Response File for format validation will be returned shortly after submission	Report Result File will be returned by 8:00 am on next calendar day under normal circumstances
BCAN Change Report	For reporting the re-assignment of BCAN (i.e. changing the assigned BCAN of a Relevant Client to another unassigned BCAN in exceptional cases)	RRIs who submit the BCAN-CID mapping file		
BCAN Error Report	For lodging correction of BCANs of matched orders and off-exchange trades	EPs who input the relevant order / off-exchange trade in OTP-C		
Off-exchange Trade BCAN (Buy-side) Report	For reporting the buy-side BCAN of an off-exchange trade if such BCAN is not tagged to the off-exchange trade before day-end market close	Buying EPs of the off-exchange trade (i.e. manual trade) who fail to input the buy-side BCAN in OTP-C		
BCAN Change for LP Quote Report	For providing the reason of changing the BCAN tagged to a Liquidity Provider (LP) quote	EP (who is a LP) who changes the BCAN of LP quote		

Guidelines for the submission of reporting forms via ECP Web Interface and ECP (SFTP) Interface will be provided in due course.

2. How to report tagging error relating to CE number on a transaction? (Newly added on 28 January 2022)

EPs can report tagging error relating to CE number by submission of a BCAN Error Report.

3. If an off-exchange trade on a non-CAS security is concluded around 15:55, and the selling EP input the off-exchange trade at 15:59, while the buying EP is only alerted of the trade after 16:00, what should the buying EP do? (Newly added on 28 January 2022)

As mentioned in the [Information Paper](#) (paragraph 30), in case the buying EP fails to insert the BCAN before market close, the buying EP needs to submit the Off-exchange Trade

BCAN (Buy-side) Report to SEHK via the ECP to list out all off-exchange trades without buy-side BCANs tagged and to provide the relevant BCANs for each of the off-exchange trades.

- 4. In the case of off-exchange trade, since there is a 30-minute window for the purchasing side to submit the BCAN. Will the exchange accept the message after market close but within the 30 minutes? (Newly added on 28 January 2022)**

A buying EP cannot input the buy-side BCAN after the market close. In case a buying EP fails to input buy-side BCAN before the market close, the relevant buying EP is required to submit an Off-Exchange Trade BCAN (Buy-side) Report to SEHK via ECP to report back the buy-side BCAN.

- 5. What are the 2 levels of validation mentioned in the File Interface Specification (i.e. 1st & 2nd level validations respectively) for the 5 reporting forms? (Newly added on 28 January 2022)**

The 2 levels of validation mentioned in the File Interface Specification are:

1st level validation: The validation checks against the filename format and performing of virus scan. An acknowledgment or rejection file will be returned for a file being accepted or rejected respectively, please refer to the [File Interface Specification](#) Appendix I for details.

2nd level validation: Once the file is accepted by the 1st level validation, further validation will be conducted to check against the basic file format. A response file will be returned as per described in [File Interface Specification](#) Appendix III C1.

- 6. According to the [Information Paper](#), a BCAN that is assigned to a client can be amended to another unassigned BCAN in exception cases (e.g. due to system upgrade). In such case should a RRI submit the BCAN Change Report before or after the BCAN re-assignment become effective? (Newly added on 28 January 2022)**

In such case, a new BCAN that is updated in a BCAN-CID Mapping File and submitted to SEHK on T-1 day will become effective on T day. The RRI should ensure the new BCAN is used and tagged on orders submitted on T day. The RRI should also submit the BCAN Change Report on the day after the effective date of the BCAN re-assignment (i.e. submit the report on T+1 day) to notify SEHK with reasons of the BCAN re-assignment.

D. Tagging of BCAN and OTP-C validations

1. What should a RRI do if an incorrect BCAN is tagged to an order? (26 November 2021)

If such an order has not been executed yet, the RRI (except for Liquidity Providers (LPs)) should cancel and re-input the order with the correct BCAN as soon as possible. In this case the order will need to re-queue in the order queue and the order's original priority will be lost.

If the order has already been executed, the EP executing the order should submit a BCAN Error Report with correct BCAN information to SEHK via the ECP by 6pm on a trading day.

For LPs, they may use the "quote update" function to update the BCAN in their quotes (as currently the case for updating other quote details). The LPs which have updated the BCAN should submit a BCAN Change for LP Quote Report to SEHK via the ECP by 6pm on a trading day.

2. Under HKIDR and with regards to BCAN tagging, under what circumstances will an order be rejected by the OTP-C trading system? (26 November 2021)

SEHK will conduct real-time validation checks of whether a BCAN has been inputted with an order and whether the BCAN is inserted in the correct format. Where the prefix Central Entity Number (CE number) and/ or BCAN is not provided or they are in an invalid format, the relevant order being inputted into the OTP-C will be rejected. In contrast, on-exchange order or off-exchange trade tagged with non-recorded BCAN (i.e. a BCAN not contained in a submitted BCAN-CID Mapping File) will not be rejected by OTP-C. However, the RRI may be subject to follow-up enquiries and/or further actions from SEHK and the SFC for potential non-compliance with the relevant requirements.

3. Will SEHK's trading system reject an order tagged with a BCAN which is not contained in a submitted BCAN-CID Mapping File (i.e. non-recorded BCAN)? (26 November 2021)

SEHK's trading system (OTP-C) will conduct real time validation checks of (1) whether a BCAN has been inputted with an order and (2) whether the BCAN is inserted in the correct format but OTP-C will not reject orders tagged with non-recorded BCAN. However, the RRI may be subject to follow-up enquiries and/or further actions from SEHK and the SFC for potential non-compliance with the relevant requirements.

- 4. If no consent is obtained from individual Relevant Clients for the transfer of their personal data to the SEHK and/or the SFC under the HKIDR, can a RRI still conduct trading for its individual Relevant Clients? (26 November 2021)**

Unless the relevant consent as prescribed by the [Consent Circular](#) issued by the SFC on 13 September 2021 from the individual (i.e. natural person) Relevant Clients is obtained, RRIs shall place sell orders only (using the specific sell-only BCAN value of “1”) for those clients.

- 5. If a client has an existing BCAN (already submitted to SEHK before) but we would like to change its ID type and ID number, can we keep using the existing BCAN for trading? Do we need to generate a new BCAN for submission? (Newly added on 28 January 2022)**

In such case, the RRI should update the ID type and ID number in the BCAN-CID Mapping File without changing the BCAN, and submit the updated file to SEHK as soon as practicable after validating the updated CID.

- 6. Can I use the reserved BCAN value “1” in case the sell-only transaction is an off-exchange trade? (Newly added on 28 January 2022)**

BCAN value “1” is also applicable to off-exchange trade (i.e. manual trade).

E. Aggregated orders

1. How to tag the BCAN for aggregated orders and aggregated off-exchange trades? (26 November 2021)

RRI should tag a specific reserved BCAN value (the number value "2") to the aggregated order or aggregated off-exchange trade to be submitted to SEHK.

2. What is the subsequent reporting requirement for aggregated orders and aggregated off-exchange trades? (26 November 2021)

RRI (who originated the aggregated order or aggregated off-exchange trade) should submit the Aggregated Transaction Report via the ECP for aggregated orders that have been executed (fully or partially) and for aggregated off-exchange trades on or before market close on three trading days after the trade date (T+3 day). The Aggregated Transaction Report should contain information concerning the underlying orders (i.e. trade allocations) of an aggregated trade, including BCANs of the Relevant Clients, quantity and price of the securities, etc. of the underlying orders.

For the avoidance of doubt, for aggregated orders that have not been executed, no reporting on the underlying orders (i.e. trade allocations) is required. For an aggregated order that has been partially executed, the RRI only needs to report on the underlying trade allocations of the portion of the order that has been executed.

3. Is a RRI allowed to further combine two or more orders routed to it from other RRI(s)? (26 November 2021)

No, a RRI should not further combine two or more orders routed to it from other RRI(s). It should ensure that such an order received from another RRI should be passed along the intermediating chain for an on-exchange order or off-exchange order without any change to the order, including the tagged BCAN.

F. Technical questions (for IT Developers)

1. What does the value of “Trade ID (OTP-C)” in field 10 of the BCAN Error Report of the HKIDR [File Interface Specification](#) refer to? (Newly added on 28 January 2022)

It refers to the Trade Match ID/ Trade ID of all kinds of trades, i.e. auto-matched trade, odd lot/ special lot trade, manual trade. Please refer to the following corresponding fields in the HKEX OCG-C Binary/FIX Trading Interface Specification for details:

OCG-C Binary Trading Interface Specification

Auto-matched Trade

7.6.7.10 Trade (Board lot Order Executed) – “Trade Match ID”

Odd lot/Special lot Trade

7.6.7.12 Trade (Odd lot/Special lot Order Executed) – “Trade Match ID”

7.8.2.2 Trade (Odd Lot/Special Lot) Accepted – “Trade ID”

Manual Trade

7.8.2.1 Trade (Off Exchange) Accepted – “Trade ID”

OCG-C FIX Trading Interface Specification

Auto-matched Trade

7.7.7.8 Trade (Board lot Order Executed) – “Tag 880 TrdMatchID”

Odd lot/Special lot Trade

7.7.7.10 Trade (Odd lot/Special lot Order Executed) – “Tag 880 TrdMatchID”

7.9.3.2 Trade Accepted (AE) – Semi-automatic Odd lot/Special lot Trade – “Tag 1003 TradeID”

Manual Trade

7.9.3.1 Trade Accepted (AE) – Off Exchange Trade – “Tag 1003 TradeID”

2. Are there any samples for the FIX Trade Capture Report (TCR) message with BCAN field specified? (Newly added on 28 January 2022)

Below are some FIX TCR samples:

TCR Sample 1 – Submit Privately Negotiated Trade	8=FIXT.1.1^9=327^35=AE^49=CO08201001^56=HKEXCO^34=1 2^52=20211229-09:29:47.018771^1128=9^571=4^487=0^85 6=0^828=22^1123=1^31=46.2^32=10000^60=20211229-09:2 9:47.018771^552=2^54=2^453=3^448=1111^447=D^452=1^4 48=100006^447=D^452=75^448=CE0001.50001^447=D^452=3 ^576=1^577=0^18=c x^528=A^58=Sample1^54=1^453=1^448 =2222^447=D^452=17^48=5^22=8^207=XHKG^10=066^
TCR Sample 2 – Submit Overseas Trade (Buy Side)	8=FIXT.1.1^9=288^35=AE^49=CO08201001^56=HKEXCO^34=1 7^52=20211229-09:31:17.034405^1128=9^571=5^487=0^85 6=0^828=104^1123=6^31=46.2^32=10000^60=20211229-09: 31:17.034405^552=1^54=1^453=3^448=1111^447=D^452=1^ 448=100006^447=D^452=75^448=CE0001.50001^447=D^452= 3^576=1^577=0^528=A^58=Sample2^48=5^22=8^207=XHKG^1 0=210^
TCR Sample 3 – Submit Internal Cross Order Trade (a.k.a. Direct Trade)	8=FIXT.1.1^9=333^35=AE^49=CO08201001^56=HKEXCO^34=2 3^52=20211229-09:32:22.588699^1128=9^571=7^487=0^85 6=0^828=102^1123=1^31=46.2^32=522^60=20211229-09:32 :22.588699^552=2^54=2^453=3^448=1111^447=D^452=1^44 8=100007^447=D^452=75^448=CE0001.50001^447=D^452=3^ 576=1^577=0^528=A^58=Sample3^1115=A^54=1^453=1^448= CE0001.50002^447=D^452=3^48=5^22=8^207=XHKG^10=068^
TCR Sample 4 – Purchasing Side Reports BCAN Field to Exchange (TradeReportType =Addendum)	8=FIXT.1.1^9=250^35=AE^49=CO08201001^56=HKEXCO^34=4 1^52=20211229-09:37:55.565785^1128=9^571=13^1003=70 0000000014^487=0^856=4^1123=6^31=465.5^32=5000^60=2 0211229-09:37:55.565785^552=1^54=1^453=2^448=1111^4 47=D^452=1^448=CE0001.4000100^447=D^452=3^48=700^22 =8^207=XHKG^10=234^
TCR Sample 5 – Submit Semi- automatic Odd lot/Special lot Trade	8=FIXT.1.1^9=332^35=AE^49=CO08201001^56=HKEXCO^34=5 7^52=20211229-09:42:21.801858^1128=9^571=13^487=0^8 56=0^828=102^1123=1^31=30.785^32=359^60=20211229-09 :42:21.801858^552=2^54=1^453=3^448=1111^447=D^452=1 ^448=2000099^447=D^452=75^448=CE0001.50001^447=D^45 2=3^576=1^577=0^528=P^58=Sample5^54=2^453=1^448=222 2^447=D^452=17^37=2050^48=17^22=8^207=XHKG^10=003^

Note:

^ Represents the Start of Header (SOH) separator