

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

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

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?

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

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).

3. After submitting the BCAN-CID Mapping File, when will a RRI receive various BCAN-CID interface files?

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 (HBCNMPRP). (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.

4. What are the submission channels of the BCAN-CID Mapping File for a RRI?

1. RRIs which are EPs can submit the BCAN-CID Mapping File to HKEX via ECP (secure file transfer protocol, SFTP) or through ECP Web Interface by using HKEX 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 HKEX 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.

5. Can the “Client Type” value be changed in the BCAN-CID Mapping File once registered? If so, how to change it?

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.

6. 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?

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.

7. Is the SFTP facility for Northbound trading under Stock Connect the same as the ECP (SFTP) Interface for HKIDR?

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).

8. 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)?

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.

9. 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?

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.

10. Can an entity consolidate all of the BCAN and CID information of its affiliates and submit one BCAN-CID Mapping File to SEHK?

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.

11. There are a number of reporting forms under HKIDR, what are the responsible parties to submit each reporting form?

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.

12. Under HKIDR and with regards to BCAN tagging, under what circumstances will an order be rejected by the OTP-C trading system?

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.

13. How frequent should a RRI submit a BCAN-CID Mapping File?

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).

14. What happens if a RRI does not submit the BCAN-CID Mapping File to SEHK during the submission hour?

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

15. What should a RRI do if it ceases trading?

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".

16. Must the client's name in the BCAN-CID Mapping File be the same as in the official identity document?

The client's name submitted in the BCAN-CID Mapping File must be exactly the same as in the official identity document. For example, if the name on the official identity document is in Thai, then the name in the BCAN-CID Mapping File must also be in Thai.

17. Can I provide the first 4 characters of the identity document number in the BCAN-CID Mapping File only?

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.

18. What should a RRI do if an incorrect BCAN is tagged to an order?

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.

19. How to tag the BCAN for aggregated orders and aggregated off-exchange trades?

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.

20. What is the subsequent reporting requirement for aggregated orders and aggregated off-exchange trades?

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.

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

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.

22. 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?

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.

23. What is the arrangement for submission of BCAN-CID Mapping Files on T-1 day under severe weather conditions?

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.