

28 April 2021

Circular to licensed corporations

Reminder of Data Standards for Order Life Cycles

The Securities and Futures Commission (SFC) reminds licensed corporations of the “Circular to licensed corporations Data Standards for Order Life Cycles” issued on 31 July 2019 (the “Circular”).

In gist, the Data Standards for Order Life Cycles (“DS-OL”) prescribe the minimum content and presentation format of trading-related data to be submitted by In-Scope Brokers to the SFC upon request, where In-Scope Brokers are defined as licensed securities brokers whose trading turnover in SEHK-listed equities in a calendar year (2018 or beyond) reaches or exceeds 2% of that year’s total market trading volume.

Securities brokers who qualify as In-Scope Brokers for the first time are generally¹ expected to implement system changes and make other arrangements needed for compliance with DS-OL within 15 months of the relevant calendar year end. The implementation due date for both the 2018 batch and the 2019 batch is 30 April 2021.

In recent weeks, many In-Scope Brokers have submitted their trading data to the SFC for testing purposes and made enquiries, some of a general nature and some pertaining to their specific circumstances². We are very encouraged by the proactive steps taken by In-Scope Brokers to ensure their DS-OL compliance before 30 April 2021. Certain In-Scope Brokers may expect to receive our request soon as we plan to shortly start deploying data analytics during our inspections to identify red flags of potential trading-related misconduct or control deficiencies.

When In-Scope Brokers in both 2018 batch and 2019 batch are identical, other licensed securities brokers may reach or exceed the 2% threshold in the calendar year of 2020 or beyond. Hence, all licensed securities brokers not already in scope but are very active in trading in SEHK-listed equities should monitor, on an ongoing basis, and assess whether their trading turnover exceeds the triggering level in the relevant calendar year. Where the 2020 trading turnover of a licensed securities broker exceeds the triggering level, the broker should ensure that its systems are DS-OL compliant by the end of April 2022. In other cases, especially where trading turnover is only marginally below the triggering level, licensed securities brokers are also encouraged to follow DS-OL which should facilitate in-house monitoring and surveillance.

Once a licensed securities broker has been classified as an In-Scope Broker³, it is expected to comply with DS-OL on an ongoing basis after its implementation due date, even if its trading turnover has subsequently fallen below the triggering level. As such, both 2018 batch and 2019 batch are expected to be able to provide DS-OL compliant data from 30 April 2021 upon the SFC’s request and such request can be made in respect of any period in or after May 2021.

¹ The original due date for the In-Scope Brokers of the 2018 batch was 30 October 2020. In light of the COVID-19 pandemic, the due date has been extended to 30 April 2021.

² Where appropriate, these have been included in the list of frequently-asked questions (FAQs) which is available on the SFC website.

³ Please refer to paragraph 6 of the Data Standards for Order Life Cycles which is appended to the Circular.



Any questions regarding the above should be sent to sfcdastandards_isd@sfc.hk.

Intermediaries Supervision Department
Intermediaries Division
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