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9 December 2025

To: Supervision of Markets Division
        Securities and Futures Commission
        54/F, One Island East
        18 Westlands Road
        Quarry Bay
        Hong Kong
Email: HKIDR-DM-consultation@sfc.hk

Dear Sirs/Madams

Consultation on Proposals to Implement an Investor Identification Regime at Trading Level for the Exchange-traded Derivatives Market in Hong Kong

FIA[1] appreciates the opportunity to respond to the "Consultation on the Proposed Hong Kong Investor Identification Regime for the Derivatives Market (**HKIDR-DM**)" issued by the Securities and Futures Commission (**SFC**). We welcome the SFC's continued efforts to enhance market transparency and strengthen the regulatory framework for Hong Kong's derivatives market.

Overall, we are supportive of the direction of the proposals and recognise the important role that an effective investor identification regime can play in facilitating market integrity, improving surveillance capabilities, and supporting the long-term development of Hong Kong's derivatives market.

We also believe that several operational and implementation details would benefit from further clarification to support consistent, efficient and practical adoption across the industry. Our comments are set out below.

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[1] FIA is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in London, Singapore and Washington, D.C. FIA's membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from more than 48 countries as well as technology vendors, lawyers and other professionals serving the industry. FIA's mission is to support open, transparent and competitive markets, protect and enhance the integrity of the financial system, and promote high standards of professional conduct. As the principal members of derivatives clearinghouses worldwide, FIA's member firms play a critical role in the reduction of systemic risk in global financial markets. Further information is available at www.fia.org.

COMMENTS TO THE PROPOSALS

Reference	Proposal	Comments
Q1	Do you have any feedback or recommendations regarding the proposed scope of product coverage? Are there any additional types of trades or financial products that should be incorporated or excluded? Please elaborate on your perspectives and provide detailed explanations.	No comments
Q2	Could you provide your feedback or recommendations regarding the proposed scope of intermediaries subject to the HKIDR-DM? Are there specific entities that you believe should be included or excluded from this scope? Please elaborate on your perspectives and provide detailed explanations.	We suggest that international firms be permitted to adopt a single BCAN for all non-RRI overseas affiliates that route end-client orders into Hong Kong, rather than issuing separate BCANs for each affiliate.

By way of illustration, an international firm that is an RRI may have client-facing affiliates in London, New York, and Paris. Under the suggested approach, if an order is routed to Hong Kong through any of these affiliates, the RRI would report one consolidated "overseas affiliate BCAN." This would still enable the SFC and HKEX to identify that the order originated from an overseas affiliate of the RRI.

This approach also streamlines operations. Clients are frequently onboarded across multiple overseas affiliates, and requiring unique BCANs for each entity would involve significant system uplift and ongoing complexity.

Moreover, assigning separate BCANs to each affiliate appears to offer limited incremental supervisory value, as underlying client details would still be obtained through follow-up |

Reference	Proposal	Comments
		requests to the RRI. In this regard, the suggested approach maintains the existing process for providing client information and does not diminish regulatory oversight.
Q3	Do you have any comments about the proposed scope of clients whose identities are required to be disclosed under the HKIDR-DM? Please provide your comments with justifications and detailed explanations.	No comments
Q4	Do you have any suggestions concerning the proposed operational arrangements for the format, generation and assignment of BCAN? Please provide your perspectives, supported by explanations.	No comments
Q5	The SFC seeks your feedback concerning the proposed operational arrangements for the tagging and submission of BCANs. Please explain your views.	**BCAN Assignment for Block Trades** We seek clarification on the BCAN tagging requirements for block trades executed off the electronic CLOB (Central Limit Order Book), including the following scenarios: a. **IDB/Broker blocks -** Where transactions are matched by a third-party inter-dealer broker and subsequently reported to HKEX by the General Clearing Participant (GCP); and b. **Facilitation blocks -** Where a firm's principal desk transacts with a client and the resulting block is reported to HKEX by the GCP.

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		Given the trade lifecycle in both cases, we would appreciate confirmation that BCAN tagging should follow the GCP that reports the trade to HKEX. Clarity on this point is important, as uncertainty could lead to inconsistencies or disputes in reporting. **Implementation Considerations** To support efficient implementation, we offer the following suggestions and seek clarification on certain points: a. Industry-standard FIX tags – We encourage the SFC and HKEX to consider adopting industry-standard FIX message tags to support implementation and minimise bespoke system builds. b. Availability of technical specifications and validation rules – We would appreciate clarification on when the technical specifications and validation rules will be made available, as timely release would significantly assist firms and vendors in planning their system builds. c. Real-time rejection logic – We would appreciate confirmation that any rejection logic under HKIDR-DM will operate in real time.
Q6	Could you provide your views and suggestions on the proposed scope of data collection, the arrangements for submitting CIDs, and the requirement to ensure the CIDs remain current? Please share your insights and provide detailed	It would be helpful for the HKIDR-DM framework to be aligned with HKIDR-S where appropriate, to support consistency and reduce implementation complexity.

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	explanations to support your feedback.	
Q7	What are your views and recommendations on the reporting requirements for Block Trades and aggregated trades? Please provide detailed feedback and explanations.	For block orders executed outside the HKFE Trading System, firms will need to ensure that their third-party platform vendors are able to support the consumption and/or submission of BCANs. Otherwise, block orders may be rejected by HKFE. We therefore request clarification on the technical specifications, vendor requirements, and any conformance or testing expectations that HKEX intends to provide, so that firms can engage their vendors and ensure consistent market readiness. We would also appreciate confirmation on whether bulk upload functionality will be supported, and whether sufficient time will be allowed between the submission of a bulk block order and the provision of BCANs for each underlying order. This would help ensure that operational timelines and system workflows are feasible in practice.
Q8	Could you share your feedback regarding the proposed revisions to the SFC Code of Conduct aimed at facilitating the implementation of the HKIDR-DM? Please mark up your suggested changes to the draft and provide a detailed explanation of the reasons for such changes.	It would be helpful for the HKIDR-DM framework to be aligned with HKIDR-S where appropriate, to support consistency and reduce implementation complexity.
Q9	Do you have any comments on the proposed timeline for implementing the HKIDR-	It is our understanding that the HKIDR-DM go-live is intended to align with the rollout of the HKEX Orion Derivatives Platform (**ODP**), which is currently targeted for 2028. To support project planning and resource allocation, we would

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	DM? If so, please elaborate.	appreciate confirmation on whether the HKIDR-DM timeline will be formally adjusted should there be any delay to the ODP programme. This guidance is important for RRIs, as the preparatory work for CID collection heavily draws on many of the same resources required for ODP implementation. To further support industry readiness, early publication of technical specifications, together with a phased testing approach and industry-wide rehearsals similar to those used for the HKIDR Securities rollout, are essential.

We welcome the opportunity to continue working with the SFC to address these comments.

Please feel free to contact me at bherder@fia.org, Stella Gan, Head of Operations, Asia Pacific at sgan@fia.org, or TzeMin Yeo, Head of Legal & Policy, Asia Pacific at tmyeo@fia.org should you wish to further discuss.

Yours faithfully

Bill Herder
Head of Asia-Pacific