

# HKSFPA: Trading Under Inclement Weather May Cause Small & Medium Sized Brokers to Shutter

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STOCK INFO

SHORT SELL



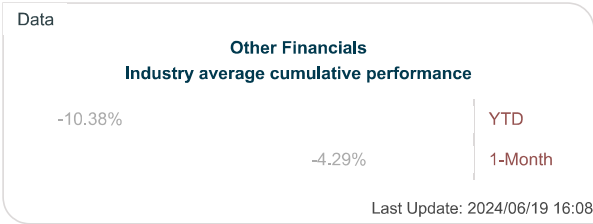
The Government announced that trading under inclement weather will start from 23 September.

The Hong Kong Securities and Futures Professionals Association (HKSFPA) pointed out that there will only be a 3-month lead time from the announcement of the details to the

scheduled implementation date, which is expected to pose certain challenges to small and medium-sized brokerage firms. In terms of implementation, the industry is particularly concerned about the physical risk of securities practitioners, as well as the risk of cyber security and leakage of client information when staff are working at home.

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HKSFPA expected the Government to provide clear guidance to the industry on how to deal with the potential cyber security risks of securities practitioners working at home, including who should be held responsible in the event of hacking attacks.



HKEX (00388.HK) +7,200 (+2.789%) Short selling \$312.30M; Ratio 23.233% stated that it will honour payment obligations for eligible brokers who are unable to meet their clearing obligations on bad weather trading days. Wong Hoi Lok, director of the Industrial Relations Department at HKSFPA, noted the concern that the application mechanism for this support will discourage small brokers from applying due to concerns that they will be perceived by HKEX as not having enough strength. This may ultimately lead to a situation in which only large brokers in the industry will remain in business.

Wong further pointed out that the unfair competitive environment indirectly created after the implementation of trading under inclement weather might lead to the closure of many small and medium-sized securities brokers. He worried that the number of securities dealers surrendering their licences in the future would be as much as during the Covid pandemic.

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(HK stocks quote is delayed for at least 15 mins. Short Selling Data as at 2024-06-19 16:25.)

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