



SECURITIES AND FUTURES COMMISSION
證券及期貨事務監察委員會

Consultation Conclusions on Increasing Short Position Transparency

2 March 2010



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Introduction

1. In tandem with global efforts to enhance the effectiveness of the regulation of short selling, the Securities and Futures Commission (“**SFC**” or “**Commission**”) has proposed increasing the transparency of short positions. Increased transparency can take the form of enhancing the existing transactional reporting regime and/or implementing a new short position reporting regime.
2. In this regard, the SFC issued a consultation paper (“**Consultation Paper**”) on 31 July 2009 to seek views on the two approaches to enhance the transparency of short positions and the various associated issues.
3. The deadline for respondents to revert with written comments was set as 30 September 2009 but some written comments were submitted to us after the deadline. We received a total of twenty-one responses. A list of the respondents (other than those which have requested to remain anonymous) who sent in submissions is at **Appendix A** and the full text of the written comments we received can be viewed at the SFC’s website at www.sfc.hk.
4. This report contains the Commission’s proposals, an analysis of the main comments received in relation to the proposals and the rationale for the Commission’s conclusions. This report should be read in conjunction with the Consultation Paper and the written comments received.
5. The Commission will be issuing a separate consultation paper in due course on the proposed subsidiary legislation which is required to give effect to the new reporting regime.
6. The layout of this paper is as follows :-
 - (a) an executive summary of the proposed short position reporting regime that we intend to implement (after taking into consideration all the facts and circumstances including the comments we received) ;
 - (b) the proposals, an analysis of the main comments received and the Commission’s response thereto in the same order that those issues were presented in the Consultation Paper ; and
 - (c) conclusion.

Executive Summary

7. After analysing the comments received from the respondents, we have decided that the existing transactional reporting requirement for all short sale orders to be flagged will remain unchanged and the use of close out indicators will not be introduced.
8. In general, market feedback indicates that there is more support for a new short position reporting regime. After the proposed subsidiary legislation is introduced, we will require the short sellers (whether by themselves or through another party duly authorised by them) :-
 - (a) to compute their short position in shares (i.e. excluding derivatives) at the end of the last trading day of each week to establish whether it amounts to or exceeds



0.02 % of the issued share capital of that particular listed company or the value of the short position amounts to or exceeds HK\$30 million, whichever is lower ;

- (b) if the short position amounts to or exceeds either one of the above thresholds, then the gross short position must be reported to the Commission (using the Commission's template) by the second business day of the following week ;
- (c) they must continue with the weekly reporting until the short position falls below 0.02% of the issued share capital of that particular listed company and HK\$30 million ; and
- (d) the Commission is to have the discretion to change the reporting requirements (including lowering the thresholds, increasing the frequency of the reporting and extending the reporting requirements to other shares) in contingency situations.

- 9. At the initial stage, the short position reporting requirements will only be applicable to constituent stocks of the Hang Seng Index, the H-shares Index and other financial stocks (which are not the constituent stocks of the two indices but are permitted by the Stock Exchange of Hong Kong (“**SEHK**”) for short selling).
- 10. The Commission will not disclose the short position reports in the form in which they are submitted to the Commission. Instead, the Commission will aggregate the data on a per stock basis and publish it on our website a week later. We do not expect to publish the information when the short position reporting regime is first implemented as there may be issues and irregularities in reporting at the early stage. We intend to start publishing the aggregated data to the market a few months after the implementation of the short position reporting regime.

Close out indicators

- 11. One of the approaches of increasing short position transparency is to enhance the existing transactional reporting regime by requiring the use of close out indicators. There were only two respondents which were supportive of this approach as they took the view that close out indicators would enhance transparency of short positions. The respondents which did not agree with this approach had cited reasons which were largely similar to the drawbacks which we were mindful of and had identified in paragraph 13 of the Consultation Paper. As such, the Commission will retain the transactional reporting regime in its existing form for the time being. Nevertheless, we will continue to monitor its effectiveness and if we consider there to be a need to enhance it, the market will be consulted accordingly.
- 12. The discussion below will focus on the issues associated with positional reporting as identified in the Consultation Paper.



Comments Received and the Commission's Response

I. Scope of Reporting – Derivatives and Designated Securities¹

Excluding Derivatives

13. The Commission asked the market on to whether to include derivatives in the proposed short position reporting regime and various models of implementing this were presented in the Consultation Paper for comments by the market.
14. The majority of respondents were opposed to the inclusion of derivatives in the proposed short position reporting regime. They were concerned that the inclusion of derivatives would complicate the information reported. It was also argued that the resources and cost implications for persons reporting the short positions outweigh the benefits of such information to the market and/or the regulator. There were various other practical issues raised, including the difficulty in defining the scope of financial instruments which would constitute “derivatives”, the variety of methods of valuing derivatives and the possibility of multiple counting (in aggregating the different short positions arising from the same derivatives transaction).
15. The Commission maintains that a short position reporting regime that does not include derivatives would provide a less complete picture of the short interest in the market and there is a risk that short selling activities will be pushed to the derivatives or OTC market (both of which are outside the ambit of the existing short selling reporting framework). Several respondents accepted these arguments and were in favour of the inclusion of derivatives.
16. The Commission takes note of the industry's concerns and given that the short position reporting regime is new to the Hong Kong market, the Commission is minded not to include derivatives in the short position reporting regime at its inception. This will reduce the burden on market participants in terms of the resources that have to be committed in getting themselves prepared for the short position reporting regime and also the ongoing operational issues that arise from complying with the reporting requirements.
17. In any event, even if derivatives are not included in the short position reporting regime at this stage, we can obtain some of the information from other channels. Currently, there are statutory reporting requirements imposed on market participants of the futures and options markets operated by Hong Kong Exchanges and Clearing Limited (“**HKEx**”). A person holding a futures or options position in excess of the reporting level prescribed by the SFC is required to report to HKEx and a copy of the report is provided by HKEx to the SFC. This reporting requirement is applied to most of the futures and options contracts traded on HKEx including Hang Seng Index futures and options, H-shares Index futures and options and individual stock options contracts.
18. After the short position reporting regime is implemented, the Commission will monitor the progress and taking into account the development and situation of the market, it will assess whether derivatives are to be included in the short position reporting regime. Should the Commission consider including derivatives in the short position reporting

¹ Designated Securities are shares which have been designated by the SEHK as being eligible for short selling in accordance with the Eleventh Schedule of the Rules of the SEHK.



regime, the matters pertaining to the inclusion of derivatives will be raised afresh for consultation.

Scope of Coverage

19. In the Consultation Paper, the Commission had also requested feedback from the industry as to whether the proposed short position reporting regime should be limited to the short position of Designated Securities only or whether it should be extended to include the short position of shares of non-Designated Securities. We note that several respondents did not appear to fully appreciate this issue as they had enquired why the Commission had sought views on whether to include non-Designated Securities in the short position reporting regime as non-Designated Securities are not permitted to be short sold. The Commission wishes to take this opportunity to clarify that if the short position reporting regime is indeed extended to include derivatives (both exchange traded and off-exchange transactions), short positions of non-Designated Securities could be created, hence the issue of whether to include non-Designated Securities in the short position reporting regime arises.
20. However, as stated in paragraph 16 above, since the Commission does not intend to include derivatives in the short position reporting regime at its inception, the inclusion of non-Designated Securities is a non-issue at this stage.
21. Separately, since the introduction of the short position reporting regime is to facilitate the Commission's monitoring of a build up of large short positions that may potentially be disruptive to market stability, our focus is primarily on shares of companies with a large market capitalisation (large-cap stocks) and other shares whose performance may affect financial market stability. We therefore believe that it is more appropriate for us to take a risk-based approach in implementing the short position reporting regime. At the initial stage, the short position reporting requirements will only be applicable to constituent stocks of the Hang Seng Index, the H-shares Index and other financial stocks (which are not the constituent stocks of the two indices but are permitted by the SEHK for short selling). Consequently, as at 15 January 2010, the short positions of shares of a total of 100 listed companies (accounting for about 70% of market capitalisation of the stock market as at 31 December 2009 and about 80% of the total short selling turnover during 2009) will be subject to the short position reporting requirements. If the situation warrants, the Commission may specify other shares that should be included in the reporting regime. We believe this approach will minimize compliance burden for market participants.

II. The Reporting Requirements

22. The various reporting models that the Commission was contemplating were put forward in the Consultation Paper for comments by the market. Essentially, the reporting models we contemplated entailed either a threshold approach or a periodic reporting approach, with various variations. In summary, the threshold approach requires a person to report his short position within a specified timeframe when his short position crosses a certain threshold. Whereas the periodic approach requires the person to routinely report his short position on a periodic basis (e.g. weekly). The details of the reporting models can be found in paragraph 26 of the Consultation Paper.
23. The majority of the respondents are in favour of the threshold approach which has the advantage of keeping the burden and costs of the reporting regime to an efficient and manageable level as insignificant short positions (i.e. below the trigger thresholds) will



not be required to be reported. Some respondents are supportive of the periodic reporting approach which is premised on the logic that short positions are not established within one trading day and arguably, this approach may be less onerous operationally.

24. The Commission takes note of all the views proffered and has decided, on balance that the most appropriate reporting regime will be a periodic reporting approach with a threshold level. In operationalising the reporting model, the Commission has to set (a) the threshold which triggers the reporting requirement (b) the frequency of reporting and (c) the timeframe within which the report must be submitted to the Commission.
25. After assessing the respondents' comments and taking into account the prevailing market circumstances and practices in other jurisdictions, the Commission has decided that :-
 - (a) the reporting requirement is triggered if the gross short position amounts to or exceeds 0.02 % of the issued share capital of the particular listed company or the value of the short position amounts to or exceeds HK\$30 million, whichever is lower ;
 - (b) the reporting will be done on a weekly basis i.e. a snapshot of the short position as at the last trading day of the week is to be reported ;
 - (c) the report is to be submitted to the Commission by the second business day of the following week; and
 - (d) the Commission is to have the discretion to change the reporting requirements (including lowering the trigger thresholds, increasing the frequency of the reporting and extending the reporting requirements to short positions of other shares) in contingency situations. The ambit of the contingency situations will be set out in the proposed subsidiary legislation that will be introduced to give effect to the short position reporting regime.

Threshold Levels

26. In the Consultation Paper, we did not propose any particular threshold level, nevertheless, we did provide the following information (in paragraphs 1, 25 and 26 of the Consultation Paper) for respondents' consideration :-
 - (a) the regulator in the United Kingdom ("**UK**") had imposed a temporary short position disclosure requirement at that time and the threshold was 0.25 % of the issued share capital of the listed company. They had consulted on, amongst other things, proposals to make the requirement a permanent one with a 0.50% trigger ;
 - (b) the Singapore Exchange issued a consultation paper in November 2008 in relation to its proposal to implement a reporting requirement on the exchange traded cash market short positions with a trigger level of 1 % ;
 - (c) in February 2009, the Autorite Des Marches Financiers in France issued a consultation paper on, amongst other things, a requirement to publish net short positions exceeding a defined threshold e.g. 0.25 % of the capital of a listed company ;



- (d) under the emergency measures introduced in the United States that only applied to institutional investment managers which exercise discretion with respect to accounts holding certain classes of equities having a fair market value of at least US\$100 million, the investment managers were required to file weekly reports to the regulator unless the short position was less than 0.25 % of the issued securities and the fair market value of the short position is less than US\$1 million ;
 - (e) the regulator in Japan imposed a 0.25 % threshold on the exchange traded cash market short positions ;
 - (f) based on an analysis of the shares of 320 Hong Kong listed companies in February 2009, we estimated no one held a short position in the shares of any of these companies which exceeded 0.50 % of the company's issued share capital. 36% of these 320 companies had a stock loan to market capitalisation ratio of less than 0.25 % ; and
 - (g) based on the turnover in 2007, the short selling/turnover ratio in Hong Kong is much lower than in London and New York. The research also suggests that the short exposure/market capitalisation ratio in Hong Kong is much lower than in New York.
27. Most of the respondents have proposed a threshold of 0.25 % of the issued share capital of the listed company largely on the basis that consistency with other jurisdictions is viewed as desirable and some respondents have even proposed higher thresholds.
28. We wish to take this opportunity to reiterate that there is no optimal threshold and it will be close to impossible to achieve a consensus on what constitutes an appropriate threshold. We are mindful that the threshold that we are seeking to set must be one that is not too low so as to be overly burdensome and even meaningless, and not too high thereby failing to capture substantial positions and therefore defeating the whole purpose of this exercise.
29. After taking into account the unique characteristics of the market in Hong Kong including the size of the listed companies, market capitalisation, liquidity, the type of market participants and investors and their trading activities, we have decided to set two thresholds (instead of just one), namely, a percentage of 0.02 % and a dollar value of HK\$30 million, whichever is lower. A short position is required to be reported if it amounts to or exceeds any one of the two thresholds. The combined use of the two thresholds will enable us to capture large short positions both in absolute and relative terms.
30. While 0.25 % is used in triggering the short position reporting requirement in several overseas jurisdictions either on a permanent or temporary basis, we note that not many reporting obligation is triggered each day based on this threshold.² This implies that if a similar trigger level is used in Hong Kong, only very large short positions in the shares of very few companies might exceed the threshold and this would diminish the effectiveness of the proposed short position reporting regime or render it redundant altogether. In addition, the argument of having a trigger threshold that is consistent with other jurisdictions is not tenable because the short position reporting regime the

² We have reviewed the short position records reported in the UK during the period from March to November 2009. On average, only about 3 short position reports were submitted each day by market participants in relation to financial sector stocks (currently the short position reporting requirement in the UK only applies to financial sector stocks).



Commission is proposing differs from those of jurisdictions with a trigger threshold of 0.25 %, in particular, we do not intend to include derivatives. The inclusion of derivatives in the short position reporting regime is likely to result in market participants establishing much larger short positions. As derivatives are not included in the proposed short position reporting regime, a lower threshold should be adopted.

31. After conducting further studies, we have made the following observations :-
- (a) the average daily short selling turnover of a mid-cap or small-cap constituent stock of the Hang Seng Index and H-shares Index constitutes approximately 0.02 % of the issued share capital of that particular mid-cap or small-cap company ; and
 - (b) 0.02 % of the issued share capital of a large-cap company may have a very large value (e.g. 0.02 % of the issued share capital of the top three constituent stocks of the Hang Seng Index is about HK\$300 million each).
32. Given that market capitalisation of individual companies varies substantially, it is not feasible to use the same percentage trigger for reporting the short position of shares of all companies. For example, although it is appropriate to apply a 0.02 % threshold to mid-cap and small-cap stocks, however applying such a threshold to large-cap stocks will result in very significant short positions (valued at around but not more than HK\$300 million) slipping through without triggering the reporting requirements.
33. Hence, in order for us to capture significant short positions in large-cap stocks and to keep the trigger levels as simple as possible, we have decided to include an additional trigger level of HK\$30 million. This trigger level is set after taking into account the short selling turnover of shares of individual companies and our estimates of the size of short positions based on previous enquiries with market participants.

Example

Mr X's short position in the shares of ABC Limited is calculated to be 0.021 % of the issued share capital of ABC Limited on Tuesday (2 June). Based on the closing price of ABC Limited on Tuesday, the value of the short position held by Mr X is HK\$29 million.

As such, Mr X's short position has exceeded one of the thresholds on Tuesday but Mr X's obligation to report depends on his position on Friday (5 June) of the same week (assuming Friday is the last trading day for that week).

If there is no change to Mr X's short position in relation to the shares of ABC Limited on Friday, Mr X must make the necessary reporting to the Commission no later than Tuesday (9 June) of the following week (assuming Tuesday is the second business day of the following week).

Mr X must continue to report by the second business day of each week in the succeeding weeks until his short position falls below both the two trigger levels.

On 12 June (Friday), he closes out part of his short position and his short position in the shares of ABC Limited only constitutes 0.019 % of the issued share capital of ABC Limited, however due to an increase in the share price of ABC Limited, the value of his short position is HK\$31 million based on the closing price on the



last trading day of that week i.e. 12 June. Mr X is still required to submit a report no later than the second business day of the following week of his short position as at Friday (12 June) because although his short position has fallen below 0.02 % of the issued share capital of ABC Limited, the value of his short position has exceeded the HK\$30 million threshold.

Frequency of Reporting

34. In terms of the frequency of reporting, the respondents who favoured a periodic reporting approach were in favour of reporting to the Commission their short positions as at the close of the last trading day of the week within the first business day of the following week. Nevertheless, those in favour of the threshold approach had suggested that the reporting should be made within two or three business days from the trade date to ensure that there is sufficient time for reconciliation etc. Thus, combining the two approaches, we have decided that reporting on a weekly basis by the second business day of the following week will best serve the objectives of implementing a short position reporting regime as well as not be overly burdensome for the industry.
35. In summary, a person will be required to report his short position to the Commission if the short position amounts to or exceeds 0.02 % of the issued share capital of the particular listed company or the value of the short position (based on the closing price as at the last trading day of the week) amounts to or exceeds HK\$30 million, whichever is lower. The person is required to continue reporting on a weekly basis until his short position falls below both the thresholds. Based on the information available, we estimate that the proposed trigger levels would result in the significant short positions being reported to the Commission. We are of the view that this is a sensible starting point. Nevertheless, we acknowledge that circumstances are never static and if there is a material shift in the market that requires a review of the thresholds, we are prepared to do so, if appropriate, and the market will be consulted accordingly.

III. The Parties Required to Report

36. The underlying rationale for the proposals in the Consultation Paper (in paragraph 32) is primarily to ensure accuracy of reporting and to enhance transparency (in the context of funds and group entities) without making it overly burdensome for market participants.
37. Based on this rationale, we have decided that the most sensible approach is :-
- (a) to require short sellers to report their short positions as they are best placed to compute their overall short positions ;
 - (b) agents are authorised to report on behalf of the short sellers provided that accountability remains with the short sellers themselves ;
 - (c) in the case of funds, the reporting requirement should apply to each fund. The fund manager may report the positions on behalf of each of the fund it manages but the fund manager will not be permitted to aggregate or net positions between different funds; and



- (d) the reporting obligation will be imposed on the individual legal entities within a group rather than requiring an aggregation of the short positions within the entire group.

- 38. The respondents are generally supportive of the proposed approach. The respondents who did not agree with the proposed approach in relation to funds are of the view that the focus should be on where the investment decision is taken i.e. at the level of the fund manager rather than the individual funds.
- 39. We wish to clarify that our objective is to increase the transparency on short positions (the benefits of which are elucidated in more detail in paragraph 6 of the Consultation Paper) and thus, the focus is not on the person who has control or decision-making authority over the individual fund. The transparency that we are seeking to enhance is the short position of the individual fund. Based on the short positions reported, if the Commission finds it necessary to enquire further into the activities leading up to the short positions (including the identity of the parties who decided on entering into the short positions), the Commission can do so by exercising its powers under the Securities and Futures Ordinance (“SFO”).

IV. The Information to be Reported

Gross Short Positions

- 40. It was stated in the Consultation Paper (at paragraph 33), that the short position reports may be required to contain :-
 - (a) the net short position (i.e. aggregating the cash and derivatives positions) ; and
 - (b) the net position that is established on the SEHK.
- 41. However, as stated in paragraph 16 above, we do not intend to include derivatives in the short position reporting regime at this juncture, thus the reporting of net short position (aggregating the cash and derivatives positions) is not applicable. In future, should we decide to extend the reporting regime to include derivatives, the issue pertaining to the contents of the short position reports will be revisited accordingly.
- 42. There were mixed views from respondents on whether to report the short position that is established on the SEHK (as well as through other trading venues designated by the SFC) on a net basis or on a gross basis. After taking into account all the facts and circumstances and the feedback we received, we have decided to require short positions to be reported on a gross basis.
- 43. Gross short positions show the total quantity of open short positions of a particular share, thus revealing the maximum impact on the market should all the open short positions be closed simultaneously. This enables the Commission as well as the market to better gauge the outstanding short interest in this share.
- 44. Reporting short positions on a net basis or on a gross basis, is meaningful in its own way. But on balance, we are of the view that reporting on a gross basis is preferable at this juncture, as it serves the necessary objectives and it is less complicated, from the perspective of the reporting party as well as the public when understanding the aggregated data published by the Commission in due course.



Use of Template for Reporting

45. With regards to our proposal to create a template to facilitate the short position reporting through the Commission's website, the respondents unanimously supported this proposal. We take note of the concern that there may be occasions when the Commission's website is temporarily not functioning or there is a technical glitch resulting in a report not being "received" although it has been despatched. We will ensure that contingency arrangements will be in place to deal with these situations.

V. Private Reporting vs. Public Disclosure

46. As stated above, the approach we are proposing is for short positions as at the last trading day of a week to be reported to the Commission by the second business day of the following week.
47. We do not intend to disclose the short position reports in the form in which they are submitted to us. Instead, the Commission will aggregate the data and publish on our website the short position on a per stock basis a week later.
48. Based on the comments we received, some respondents appear to have the impression that we intend to publish the short position reports i.e. by disclosing the short positions as well as the identities of the short sellers. These respondents had objected strongly to such an approach setting out the basis for their objection. We hope the clarification in the preceding paragraph serves to alleviate their concerns.
49. There are also some respondents who are concerned that public disclosure will generally prejudice the short sellers (even if their identities are not disclosed) and have suggested that reporting should only be made to the regulator (i.e. private reporting).
50. We are aware of the arguments usually raised against public disclosure (as referred to in paragraph 37 of the Consultation Paper). On balance, we believe our approach of disclosing the information on an aggregated basis will sufficiently address the concerns.
51. In terms of the concerns with regards to short squeezes, we are not aware that there is any empirical evidence of this occurring in those jurisdictions which have implemented a regime requiring public disclosure of short positions. Nevertheless, the proposed delay in publishing the aggregated data will help to minimise the risk of short squeezes. As for the concern that disclosure may unfairly prejudice the short sellers in the execution of their trading strategies, this is mitigated as the short positions will only be made available to the public on an aggregated basis, no individual position and the related trading strategies will be disclosed. The Commission accepts that there is a possibility that public disclosure might result in a herding effect and in view of this, we will conduct investor education to explain the limitations of the data.
52. In principle, any information on short selling should be disclosed as soon as possible so that the public can make informed decisions without any delay. Delaying disclosures unnecessarily will reduce the value of the information but requiring the disclosures to be made too soon after the positions are entered into may unnecessarily burden the short sellers. Thus, we have decided that a one-week delay in publishing the short positions is appropriate as the delay will mitigate some of the possible prejudicial effects to short sellers but it is not overly long so as to negate the value of such disclosures. We do not expect publishing the data when the short position reporting regime is first implemented as there may be issues and irregularities in reporting at the early stage. We intend to



start publishing the aggregated data to the market a few months after the implementation.

VI. Parties to be Exempted from the Reporting Requirements

53. We intend to impose the short position reporting regime across the board on all short sellers.
54. Most of the respondents have suggested that exemptions should be granted to market makers³ to make it easier for them to discharge their market making obligations, particularly if the Commission is requiring public disclosure of the short positions. It was also argued that an exemption from reporting requirements will be consistent with the Commission's current treatment of market makers in exempting them from the other requirements pertaining to short selling (e.g. the uptick rule and naked short selling).
55. The Commission recognises the role of market makers in the market and it is in recognition of this role that the Commission had accordingly not extended the full suite of the short selling requirements on market makers to facilitate their activities. However, the Commission does not view it appropriate to exempt them from reporting requirements which are essentially post-trade activities which have no direct impact on their trading/market making activities. Arguably, there is the risk of short squeezes, but as stated in paragraph 51 above, there is no empirical evidence of this, moreover, the public disclosure we are proposing is on an anonymous, aggregated and delayed basis, thus significantly reducing the risk of short squeezes (if any).
56. The jurisdictions which have exempted market makers and liquidity providers from the short position reporting requirements are those which require public disclosure of the identity of the short sellers. Since the short position reporting regime we are proposing does not entail disclosing the identity of the short sellers to the public, there is no corresponding need to exempt market makers.

VII. Legislation Required to Give Effect to the Reporting Requirements

57. We intend to give effect to the short position reporting requirements in a new subsidiary legislation rather than include them in Part XV of the SFO. The majority of respondents agree with this approach.
58. Several respondents have urged the Commission to ensure that the proposed short position reporting regime is consistent with Part XV. We note that this comment has been raised by respondents pertaining to some of the other matters discussed above (e.g. the threshold for reporting, the timing for reporting etc). For the various reasons mentioned in the Consultation Paper, we do not think it is appropriate for us to build on the disclosure regime under Part XV to establish the proposed short position reporting requirements.

³ Market makers are referred to as entities which, as part of their ordinary business, deal as principal in securities (a) to satisfy clients' orders and/or (b) in a way that ordinarily has the effect of providing liquidity on a regular basis to the market on both bid and offer sides of the market in comparable size.



Conclusion

59. The Commission will be issuing a separate consultation paper in due course on the proposed subsidiary legislation which is required to give effect to the short position reporting regime described above.
60. The Commission would like to take this opportunity to thank all respondents who have responded to our Consultation Paper.



Appendix A

List of respondents

(in alphabetical order)

1. Allen & Overy
2. Alternative Investment Management Association
3. Barclays Capital Asia Limited/Barclays Capital Securities Limited
4. Clifford Chance
5. ComplianceAsia Consulting Ltd
6. CompliancePlus Consulting Limited
7. Fortis Financial Products Limited
8. Hermes Equity Ownership Services
9. Hong Kong Investment Funds Association
10. Jiang Zhang
11. Linklaters responded on behalf of 12 financial institutions :-
 - (a) Citigroup Global Markets Asia Limited
 - (b) Credit Suisse (Hong Kong) Limited
 - (c) Deutsche Bank AG, Hong Kong Branch
 - (d) Goldman Sachs (Asia) L.L.C.
 - (e) JP Morgan Securities (Asia Pacific) Limited
 - (f) Merrill Lynch Asia Pacific Limited
 - (g) Morgan Stanley Asia Limited
 - (h) Nomura International (Hong Kong) Limited
 - (i) Standard Chartered Bank (Hong Kong) Limited / Cazenove Asia Limited
 - (j) The Hongkong and Shanghai Banking Corporation Limited
 - (k) The Royal Bank of Scotland plc / ABN Amro Bank N. V.
 - (l) UBS AG
12. Managed Funds Association
13. Marshall Wace Asia Limited
14. The Institute of Accountants in Management
15. The Law Society of Hong Kong
16. 3 respondents have requested for their names not to be disclosed when their response is published
17. 3 respondents have requested for their names not to be disclosed and their response not to be published