FIX Asia Pacific Technical Subcommittee

Communication of BCAN identifiers using FIX for HKIDR

- Recommended Practices -

April 29, 2022

Revision #2

Proposal Status: Public Comment

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Document History

Revision	Date	Author/Editor	Revision Comments
#1	March 24, 2022	Edward Mangles	Drafted by Asia Pac Technical Subcommittee
#2	April 29, 2022	Hanno Klein, GTC	Minor layout updates based on GTC review

1 Executive Summary

With the implementation of an investor identification regime at trading level for the securities market in Hong Kong (HKIDR – Hong Kong Investor Identification Regime), an order (or off exchange trade report) is required to include an identification code assigned to the relevant client, in order to identify the originators of orders and trades. The FIX Asia Pacific Technical Subcommittee recommends how to communicate a BCAN (Broker-to-Client Assigned Number) using FIX Fields.

2 Objective

Exchange participants and clients can avoid confusion in the communication of BCAN IDs in the HKIDR by agreeing the use of FIX Fields. To aid that process the FIX Asia Pacific Technical Subcommittee offers recommendations on the use of FIX for communication of BCAN IDs.

3 Scope

- It is important for firms to refer to the latest SFC (Securities and Futures Commission) information on HKIDR implementation (see 6.6).
- The HKEX HKIDR web corner contains the HKEX OCG-C FIX Trading Interface Specification (see 6.2).

4 Target Audience

Institutions and Relevant Regulated Intermediaries covered by HKIDR, as well technology providers and as the relevant industry associations and their members.

5 Authors

FIX Asia Pacific Technical Subcommittee

6 Recommendations

6.1 BCAN Input format

Firms categorized as Relevant Regulated Intermediary (RRI) under the SFC's HKIDR are required to communicate BCAN IDs in the BCAN Input format to HKEX at order level, either directly if they are executing or reporting the trade, or via another firm which is an Exchange Participant.

> **BCAN Input Format: CE* number + "." + BCAN (which consists of up to 10 digits)**

*CE number: Central Entity number assigned by the SFC to an intermediary. Refers to the CE number of the RRI who assigns the BCAN.

6.2 FIX message protocol & BCAN format

For communication directly between exchange participants & HKEX, please adhere to HKEX OCG-C FIX Trading Interface Specification, that specifies the FIX message protocol & BCAN format & which can be found in the HKIDR web corner on the HKEX website*:*
www.hkex.com.hk/Services/Trading/Securities/Overview/Trading-Mechanism/HKIDR?sc_lang=en

6.3 Communication of BCAN ID

For communication of BCAN ID between exchange participants and their clients, the FIX Asia Pacific Technical Committee would recommend the usage of the FIX Tags below:

6.3.1 Recommendations:

It is recommended to use one or more instances of the **Parties Component** to identify a BCANID whereby **PartyID(448)** holds the actual **ID**, **PartyIDSource(447)** is set to **D** (Proprietary / Custom code) and **PartyRole(452)** is set to **3** (Client ID).

> **Broker-to-Client Assigned Number (BCAN) - PartyID(448)**
> **PartyIDSource(447)=D**
> **PartyRole(452)=3**

6.3.2 Backward compatibility:

In order to support backward compatibility for FIX 4.2 users not being able to support repeating groups, it is recommended to utilize User Defined Fields as follows:

> **User Defined Field – BCANID(8018) – Pre-existing tag for BCAN ID to send as a flat FIX field on orders.**

6.4 Description of UDF BCANID(8018)

The Description of User Defined Field BCANID(8018) on the FIX website (www.fixtrading.org/standards/user-defined-fields/) has broadened the application beyond Northbound Stock Connect. The description text is now:

Tag	Field	FIX Msg Types	Description	Created by
8018	BCANID	D, AB, G, AC	String datatype. BCAN (Broker-to-Client Assigned Number) identifier are a type of short code to identify the broker's clients. It may be used when placing orders for instruments listed on Hong Kong Stock Exchange as well as for instruments listed on the Shanghai & Shenzhen Stock Exchange accessed via the HK Northbound Stock Connect regime. The information in the field may have different formats depending on requirements prescribed by the exchange.	FPL Program Office – FIX Protocol, Ltd

6.5 Use-Case

Where a client has multiple entities and may send orders to an exchange participant as RRI vs Non-RRI:
Exchange participants should agree with their clients on their own interpretation of FIX order handling messages, to distinguish the RRI order flow vs Non-RRI order flow – by means of a combination of existing FIX Tags or segregating the flow over 2 FIX connections, etc.
N.B. Exchange participants should also check for any requirements that the SFC may issue.

6.6 SFC website

Information from SFC's website that refers to BCAN Input format may be found through:
www.sfc.hk/en/Rules-and-standards/Investor-Identification-and-OTC-securities-reporting

6.7 Feedback

The FIX Asia Pac Technical Committee would like to receive your feedback. Please send any comments/questions to Edward.Mangles@fixtrading.org or Barbara.Law@fixtrading.org