Purpose

1. The Short Position Reporting (SPR) Service Pilot (Pilot) serves the following purposes:
   • provides an opportunity for market participants to familiarize with the SPR Service before the Securities and Futures (Short Position Reporting) Rules come into effect on 18 June 2012 (subject to the legislative process);
   • allows market participants to test their systems and operational procedures; and
   • tests reporting under different simulated scenarios (e.g. changes in Specified Shares and reporting frequency).

Important Notes

2. The Pilot is optional and no prior application is required. Please refer to the SPR Service User Guide on SFC’s website\(^1\) on how to access the SPR Service for the Pilot. The SPR Service for the Pilot will be available on 7 May 2012.

3. All SPRID assigned during the testing period will be invalidated after the Pilot. Pilot participants will need to re-register to obtain a new SPRID for reporting when the SPR Service officially goes live upon the Securities and Futures (Short Position Reporting) Rules (Rules) come into force.

Events

4. The following are events planned for the Pilot but are subject to change. Emails will be sent to subscribers to the SFC email alert service (Short Position Related Matters) for each event accordingly:

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Short Position Reporting Service – Pilot Run Arrangements

<table>
<thead>
<tr>
<th>Date</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 May 2012</td>
<td>Pilot starts. Participants can register to get SPRID and submit their reportable short positions in accordance with the Rules as if they had come into effect.</td>
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</table>
| 16 May 2012     | A revised List of Specified Shares (List) with effective date of 23 May 2012 will be published on SFC’s website. Some Specified Shares will be removed from the List to simulate the scenario where there is a change* in the List. Participants should use the revised List for submissions after 23 May 2012.  
  * This is a fictitious change and could be different from any actual changes to the list of Specified Shares (e.g. change in Hang Seng Index constituent stocks) that may happen during the Pilot testing. |
| 28 May 2012     | Announcement will be made to change reporting frequency from weekly to daily effective from 1 June 2012.                                                                                                |
| 8 June 2012     | Last day of the Pilot. All SPRID and the revised List for testing purpose will be removed from the SPR Service system thereafter.                                                                         |

Contact us

5. Any enquiries in relation to the Pilot may be sent to shortpositions@sfc.hk.

6. Any problems encountered during the Pilot may be reported to shortpositions@sfc.hk and the following information is to be provided, if available:
   - Date and time of encountering the problem;
   - SPRID(s) involved;
   - System messages or screen-dumps;
   - Actions leading to the problem, etc.