

Instructions
for the
SZSE Program Trading Reporting Form for Northbound Trading Link
Investors

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The English version is provided to help investors understand the relevant requirements. Please refer to the original Chinese version when filling out the related forms.

To ensure the proper reporting of program trading by Northbound Trading Link investors, and in line with *Guidelines No.3 of Shenzhen Stock Exchange on the Securities Trading - Reporting of Program Trading by Northbound Trading Link Investors* (“**Reporting Guidelines**”), this document provides instructions on completing the *SZSE Program Trading Reporting Form for Northbound Trading Link Investors* (“**Reporting Form**”).

1. Who Needs to File a Report

A Northbound Trading Link investor is required to file a report if the investor’s trades in the Shenzhen Stock Exchange (“**Exchange**”) market meet one or more of the following criteria:

- (1) High automation of order placement. Program trading investors (“**program traders**”) who let a computer automatically determine all the critical elements of an order such as securities code, trading direction, order size, and order price as well as the timing of such order.
- (2) Fast order rate. Program traders who place 10 or more orders (including cancellation requests) within 1 second on 10 or more occasions in one day.
- (3) Trading many stocks and having a high share turnover. Program traders who trade an average of no fewer than 50 SZSE-listed stocks a day over the most recent 30

Northbound Trading Days and the annualized share turnover ratio¹ over those 30 Northbound Trading Days is 30 or higher.

- (4) Program traders who use a self-developed or customized software.
- (5) Other circumstances recognized by the Exchange that requires the filing of a report.

Reporting is not required for investors who use a software program with limited automation functions provided by a Stock Exchange of Hong Kong (“SEHK”) participant if and only if they do not meet the criteria listed above.

The SEHK Securities Trading Service Company should require each SEHK Participant to appropriately inform clients that the filing of program trading report is required from any Northbound Trading Link investor that meets any of the above criteria. For criteria (2) and (3), the SEHK Securities Trading Service Company should further require SEHK Participants to establish monitoring and identification mechanisms such that, to the extent of the materials they have access to, they can promptly identify clients who meet the reporting threshold. Any SEHK Participant that is aware of a client who meets criterion (1) or (4), either because it provides customized trading software to specific clients, has co-developed a trading software with a client, executes quantitative strategies for quant clients, or otherwise, should alert and supervise the client to fulfill its reporting obligations.

2. Filing Entity

Northbound Trading Link program traders (“**Northbound Program Traders**”) should report information based on BCAN identification codes (each an “**Account**”). In principle, the information for each Account should occupy one line in the consolidated report by an SEHK Participant submitted to SEHK. All investors who have opened an Account, including but not limited to SEHK Participants (including their affiliates) and their clients, must fulfill the reporting obligations for all Accounts that meet the relevant criteria. Any investor who has opened multiple Accounts at different SEHK Participants should separately report information for each Account through the corresponding SEHK Participant.

For any institutional investor who has opened Accounts (including accounts for the company itself and accounts for the investment products/vehicles (each a “**product**”) it manages) at multiple SEHK Participants, it may, for all Accounts opened with the same ID Number, select one SEHK Participant and fill out the funding information for the Accounts (including Account Size, Source of Funds, Source Breakdown, Leverage Amount, Source of Leverage, and Leverage Ratio) on a consolidated basis (i.e., aggregated for all such Accounts). For the Accounts opened with the same ID Number but through other SEHK Participants, the institutional investor should not provide the above information a second time, but rather write “Reported via other SEHK Participant” in the corresponding fields. However, all other fields should be filled out as required.

3. Reporting Requirements for Existing Investors

¹ Annualized share turnover ratio = (The account’s average daily trading value in the SZSE market over the most recent 30 Northbound Trading Days) / (The account’s average daily amount of holdings in the SZSE market over the most recent 30 Northbound Trading Days) × Number of Northbound Trading Days in the current year.

“Existing investors” refer to investors who engaged in program trading, which would have met the reporting threshold, within one year before the effectiveness of the *Reporting Guidelines* and will continue to engage in such activities thereafter. Existing investors should submit reports within three months after the *Reporting Guidelines* officially take effect (i.e., before April 10, 2026).

4. Exempted Filers of High-Frequency Trading Reports

Fund management companies that exclusively offer public funds, SEHK Participants that engage in asset management and meet the relevant requirements, Northbound Program Traders that are recognized as Qualified Foreign Investors, and other investors specially recognized by the Exchange, who in each of the above case engage exclusively in order splitting for specified purposes as prescribed under Article 7 of the *Reporting Guidelines*, may be exempt from reporting such information as the server location of the high-frequency trading (HFT) system, test report for the HFT system, and contingency plan for HFT system failures.

For the above purpose, “public funds” refers to funds approved by the Securities and Futures Commission of Hong Kong (SFC) for offering to retail investors; “SEHK Participants that engage in asset management” refers to those who hold an SFC-approved asset management license (Type 9) for at least five years. At the time of reporting, the foregoing entities should provide SEHK-verified documents certifying their exemption status; the information provided by SEHK to the Exchange is conclusive. “Engaging exclusively in order splitting” means conducting no program trading activities beyond order splitting. In particular, quantitative trading does not qualify as “engaging exclusively in order splitting.”

5. Requirements for “SEHK Participant”

The SEHK Participant that uploads the Reporting Form should enter here its full company name. If the uploading participant differs from the trade-executing participant, the full company name of the latter should be provided instead.

6. Requirements for “Participant ID”

The SEHK Participant that uploads the Reporting Form should enter here its SEHK-assigned Participant ID. If the uploading participant differs from the trade-executing participant, the Participant ID of the latter should be provided instead.

7. Requirements for “Account Name”

Enter the full Account name, which should be consistent with the name in the BCAN (Broker-to-Client Assigned Number) -CID Mapping File.

8. Requirements for “ID Number”

Enter the identity document number used by the investor to register for BCAN (e.g., the Legal Entity Identifier (LEI) for an institutional investor). Institutional Accounts registered with the same ID Number may select one SEHK Participant for reporting the funding information as provided by paragraph 2 of the article “2. Filing Entity”.

9. Requirements for “Product Code” (Optional)

For an Account of a fund product, the product code may be entered here.

10. Requirements for “BCAN”

Enter the unique BCAN assigned by the SEHK Participant to the Northbound Program Trader.

11. Requirements for “Asset Management Company”

For an Account of a product, enter the full name of asset management company of that product. For example, for an asset management Account, the full name of the asset management firm should be filled.

12. Requirements for “Report Type”

- (1) Enter “Initial” for a first-time filer, “Update” for submitting a material change to previously reported information, and “Termination” for the specific material change of “termination of program trading through the Account”.
- (2) If the report type is “Update”, enter the updated information in the corresponding cell, and re-enter the previously reported information in all other cells.
- (3) If the report type is “Termination”, enter the SEHK Participant, Participant ID, Account Name, BCAN, and Reporting Date. Please note that “Termination” means the account will no longer engage in program trading after the submission of the report. If at some point later the account wishes to resume program trading, it should submit a new report as a first-time filer.

13. Requirements for A Report on Material Changes

Any client whose previously reported information has experienced a material change should report the change to the relevant SEHK Participant within the first five Northbound Trading Days of the following calendar month. The SEHK Securities Trading Service Company should require the SEHK Participant to forward the report within five Northbound Trading Days of receiving the report on the change. SEHK Participants should report their own material changes to the SEHK Securities Trading Service Company within the first five Northbound Trading Days of the following calendar month.

Each of the following is a material change that shall be reported:

- (1) An increase in Account Size to 500% of the original size or above with an absolute change of RMB 10,000,000 or more.
- (2) 50 percent or higher decrease in Account Size with an absolute change of RMB 10,000,000 or more.
- (3) Change in Source of Leverage.

- (4) 100 percent or greater change in Leverage Amount with an absolute change of RMB 5,000,000 or more.
- (5) Change to Maximum Order Rate or Maximum Daily Order Count.
- (6) Change of Primary Strategy Type.
- (7) Change to the program trading system information.
- (8) Termination of program trading through the Account.

Following a material change to the previously reported Account Size, Source of Leverage, or Leverage Amount, fund management companies that exclusively offer public funds, SEHK Participants that engage in asset management and meet the relevant requirements, Northbound Program Traders that are recognized as Qualified Foreign Investors, and other investors specially recognized by the Exchange, who in each of the above case only automate the execution of orders during the trading phase according to a preset order splitting algorithm to reduce the market impact of large orders or to ensure transactional fairness among the different portfolios, should report the change within the first five Northbound Trading Days of the following quarter.

14. Requirements for “Reporting Date”

For a client of an SEHK Participant, enter the date when the SEHK Participant receives and verifies the client’s report. For an SEHK Participant, enter the date when it submits the report to the SEHK Securities Trading Service Company.

15. Requirements for “Designate One SEHK Participant to Report Funding Information”

For an institutional investor, enter “Yes” if it has opened Accounts at multiple SEHK Participants with the same ID Number and wishes to report funding information through only one of them; enter “No” otherwise.

16. Requirements for “Account Size”, “Source of Funds”, and “Source Breakdown”

“Account Size” refers to the size of the Account’s holdings in SZSE-listed stocks and funds as of the Reporting Date, in RMB 10,000 (same below). For an Account of a product, report the Account Size, Source of Funds, and Source Breakdown at the product level.

For “Source of Funds”, enter one or more of the following choices: (1) Proprietary capital; (2) Raised capital; (3) Leveraged capital; (4) Other (specified). Separate different sources with an English semicolon (;), e.g., “Proprietary capital;Leveraged capital”. Co-investment in a product by the management firm is classified as raised capital.

In “Source Breakdown”, for single-source funding, enter “[source] 100%”, for example “Proprietary capital 100%”. For multiple sources, indicate the share of the different sources, separated by an English semicolon (;), e.g., “Proprietary capital 30%;Leveraged capital 70%”.

17. Requirements for “Leverage Amount”

Enter the amount of leveraged capital invested by the Account in SZSE-listed stocks and funds as of the Reporting Date, in RMB 10,000. For a product Account, report Leverage Amount at the product level. Leveraged capital comprises any actual financing obtained through such sources as margin trading, securities lending, and OTC agreements (such as swaps and other OTC derivatives).

18. Requirements for “Source of Leverage”

Enter one or more of the following choices: (1) Margin trading & securities lending; (2) OTC derivatives; (3) Other (specified, e.g., personal loan). Separate different sources with an English semicolon (;), e.g., “Margin trading & securities lending;OTC derivatives”. For a product Account, report source at the product level.

19. Requirements for “Leverage Ratio (%)”

Enter the ratio of “total assets / net assets” invested by the Account in Shenzhen-listed stocks and funds as of the Reporting Date. For a product Account, report leverage ratio at the product level. For any omnibus Account designed to hedge clients’ swaps and other OTC derivatives, the Leverage Ratio should be determined based on the overall margin ratio collected from those clients.

20. Requirements for “Securities Traded”

Select “Stocks”, “Funds”, or both based on the securities actually traded. Multiple selections are permitted and must be separated by an English semicolon (;) (e.g., “Stocks;Funds”).

21. Requirements for “Quantitative Trading”

“Quantitative trading” refers to automated trading by a computer program that selects the specific securities and timing based on pre-defined strategies. Investors should determine whether they engage in quantitative trading based on how they trade, and enter “Yes” or “No” accordingly.

If quantitative trading is employed, fill out the types of primary strategy and supplemental strategies in use as well as the strategy overviews. If not, leave the primary and supplemental strategy sections blank and skip directly to Order Execution Method and Order Execution Method Overview.

22. Requirements for “Primary Strategy”, “Primary Strategy Overview”, “Supplemental Strategies”, and “Supplemental Strategies Overview”

Northbound Trading Link investors who engage in quantitative trading must report the types of strategies they use. “Primary Strategy” indicates an Account’s primary trading strategy, and a filer must select one from the choices below. “Supplemental Strategies” applies if additional strategies are used to supplement the primary strategy; and up to two from the below may be selected, separated by an English semicolon (;).

- (1) Enhanced indexing, referring to the strategy of constructing a portfolio that mimics the benchmark index and create excess returns through active management, with essentially no hedging transactions.
- (2) Market neutral, referring to the strategy of simultaneously establishing long and short positions with instruments like stock index futures and options to hedge the market risk.
- (3) Long-short equity, referring to the strategy of dynamically adjusting the proportion of long and short positions based on the prevailing market conditions. This strategy relies on the manager's discretion regarding the hedging method and position, with common tools including stock index futures and options, short selling, and OTC derivatives.
- (4) Quantitative long-only, referring to the strategy of selecting stocks and executing investment decisions based on fundamental indicators (e.g., public companies' financial data and macroeconomic metrics) or technical indicators (e.g., price volatility, trading volume, and turnover rate).
- (5) Managed futures (CTA), referring to the strategy of executing investment decisions in the futures market based on model-generated trading signals.
- (6) IPO participation, referring to the strategy of using existing stock holdings to participate in initial public offerings.
- (7) Quantitative arbitrage, referring to the strategy of profiting from price discrepancies in one or several markets, or the divergence between the market and theoretical prices.
- (8) Intraday trading, referring to the strategy of executing opposite trades on the same asset within one trading day to capture intraday price movements.
- (9) Other strategies. Enter "Other(specified name)".

If "Primary Strategy" or "Supplemental Strategies" is filled out, provide an overview of the strategy in the "Primary Strategy Overview" or "Supplemental Strategies Overview" section.

For an omnibus Account such as a broker proprietary account that involves OTC swaps and carries multiple investors, the filer can enter "Other" for the Primary Strategy, and enter "Swaps" in the following bracket and describe the specific strategy used in "Primary Strategy Overview".

23. Requirements for "Futures Market Account Name" (Optional)

Enter the full name of the accounts used for hedging in futures (including options) markets. Separate multiple account names with an English semicolon (;).

24. Requirements for "Futures Market Account Code" (Optional)

Enter the account codes for hedging in futures (including options) markets. Separate different account codes with an English semicolon (;).

25. Requirements for “Order Execution Method” and “Order Execution Method Overview”

Select one or more of the following specific methods for order execution, separated by an English semicolon (;), e.g., “TWAP;VWAP”.

- (1) TWAP, referring to time-weighted average price;
- (2) VWAP, referring to volume-weighted average price;
- (3) POV, referring to percentage of volume;
- (4) Other methods. Enter “Other methods (specified name)”.

Describe the essence of the execution method in “Order Execution Method Overview”.

26. Requirements for “Maximum Order Rate”

Select from the choices below the range of maximum number of orders submitted per second, whether already attained by the investor or projected based on the strategy employed and the system setup.

- (1) 500, referring to maximum number of orders submitted per second is 500 and above;
- (2) 300-500, referring to maximum number of orders submitted per second is between 300 and 500 (exclusive of 500);
- (3) 100-300, referring to maximum number of orders submitted per second is between 100 and 300 (exclusive of 300);
- (4) 0-100, referring to maximum number of orders submitted per second is below 100.

If either (1) or (2) is chosen without meeting the exemption requirements under Article 7 of the *Reporting Guidelines*, the filer must fill out “HFT Server Location” and upload the test report for the HFT system and the contingency plan for HFT system failures.

Following any change to the HFT system, an investor that selects either (1) or (2) shall issue an Update report to the above information, re-enter the server location, and upload the updated test report and contingency plan.

27. Requirements for “Maximum Daily Order Count”

Select from the choices below the range of maximum number of orders submitted in a day, whether already attained by the investor or projected based on the strategy employed and the system setup.

- (1) 25000, referring to maximum number of orders submitted in a day is 25,000 and above;
- (2) 20000-25000, referring to maximum number of orders submitted in a day is 20,000 to 25,000 (exclusive of 25,000);

- (3) 15000-20000, referring to maximum number of orders submitted in a day is 15,000 to 20,000 (exclusive of 20,000);
- (4) 10000-15000, referring to maximum number of orders submitted in a day is 10,000 to 15,000 (exclusive of 15,000);
- (5) 0-10000, referring to maximum number of orders submitted in a day is below 10,000.

If either (1) or (2) is chosen without meeting the exemption requirements under Article 7 of the *Reporting Guidelines*, the filer must fill out “HFT Server Location” and upload the test report for the HFT system and the contingency plan for HFT system failures.

Following any change to the HFT system, an investor that selects either (1) or (2) shall issue an Update report to the above information, re-enter the server location, and upload the updated test report and contingency plan.

28. Requirements for “Program Trading Software and Version”

Enter the full name of the program trading software. If multiple software programs are used, separate them with English semicolon (;).

29. Requirements for “Program Trading Software Developer”

Enter the full name of the developer of the program trading software. Separate multiple developers with English semicolon (;).

30. Requirements for “HFT Server Location”

Provide the specific address of the HFT server if the reported “Maximum Order Rate” is 300 orders/second or higher or the reported “Maximum Daily Order Count” is 20,000 or higher without qualifying for the exemption. If exempt under Article 7 of the *Reporting Guidelines*, enter “Exempted”.

31. Requirements for “SEHK Participant Contact” (Optional)

Enter the name and contact details of the person at the SEHK Participant responsible for completing, uploading, and maintaining the Reporting Form.

32. Requirements for “Investor’s Business Manager” (Optional)

- (1) For any client of an SEHK Participant: Individual clients may enter their own names and contact details; institutional clients may fill in the name and contact details of the manager overseeing program trading activities.
- (2) For any SEHK Participant engaged in proprietary trading or asset management: Enter the name and contact details of the manager overseeing program trading activities.

33. Requirements for “Test Report & Contingency Plan Upload Status”

Enter “Yes” if the HFT system test report and contingency plan have been uploaded in accordance with Article 7 of the *Reporting Guidelines*. Enter “Exempted” if exemption is claimed under Article 7 of the *Reporting Guidelines*. Left blank if not applicable.

34. Requirements for “QFI Code”

Northbound Program Traders who are recognized as Qualified Foreign Investors and only automate the execution of orders during the trading phase according to a preset order splitting algorithm to reduce the market impact of large orders or to ensure transactional fairness among the different portfolios, are *not* required to report the location of the HFT server or upload the system test report and contingency plan even if the reported “Maximum Order Rate” is 300 orders/second or higher or the reported “Maximum Daily Order Count” is 20,000 or higher. However, they must enter their CSRC-assigned QFI code here.