

# FINI Launch Arrangements

**Lukas Petrikas**  
**Karina Chan**  
**Maria Chan**  
**City Chan**

FINI Project Lead  
Head of Post-Trade Systems, Information Technology  
IPO Vetting, Listing  
Clearing Infrastructure, Operations

5 July 2023

**HKEX**  
香港交易所

# Disclaimer

The information contained in this presentation is for general informational purposes only and does not constitute an offer, solicitation, invitation or recommendation to subscribe for or buy or sell any securities or other products or to provide any investment advice or service of any kind. This presentation is not directed at, and is not intended for distribution to or use by, any person in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Hong Kong Exchanges and Clearing Limited or The Stock Exchange of Hong Kong Limited (“**SEHK**”) (together, the “**Entities**”, each an “**Entity**”), or any of their affiliates, or any of the companies that they operate, to any registration requirement within such jurisdiction or country.

No content in this presentation may be regarded as creating any obligation on the part of any of the Entities. Rights and obligations with regard to the listing, trading, clearing and settlement of any securities effected on SEHK shall depend solely on the applicable rules of SEHK and the relevant clearing house, as well as the applicable laws, rules and regulations of Hong Kong.

Although the information contained in this presentation is obtained or compiled from sources believed to be reliable, neither of the Entities guarantees the accuracy, validity, timeliness or completeness of the information or data for any particular purpose, and the Entities and the companies that they operate shall not accept any responsibility for, or be liable for, errors, omissions or other inaccuracies in the information or for the consequences thereof. The information set out in this presentation is provided on an “as is” and “as available” basis and may be amended or changed. It is not a substitute for professional advice which takes account of your specific circumstances and nothing in this presentation constitutes legal advice. Neither of the Entities shall be responsible or liable for any loss or damage, directly or indirectly, arising from the use of or reliance upon any information provided in this presentation.



# Agenda

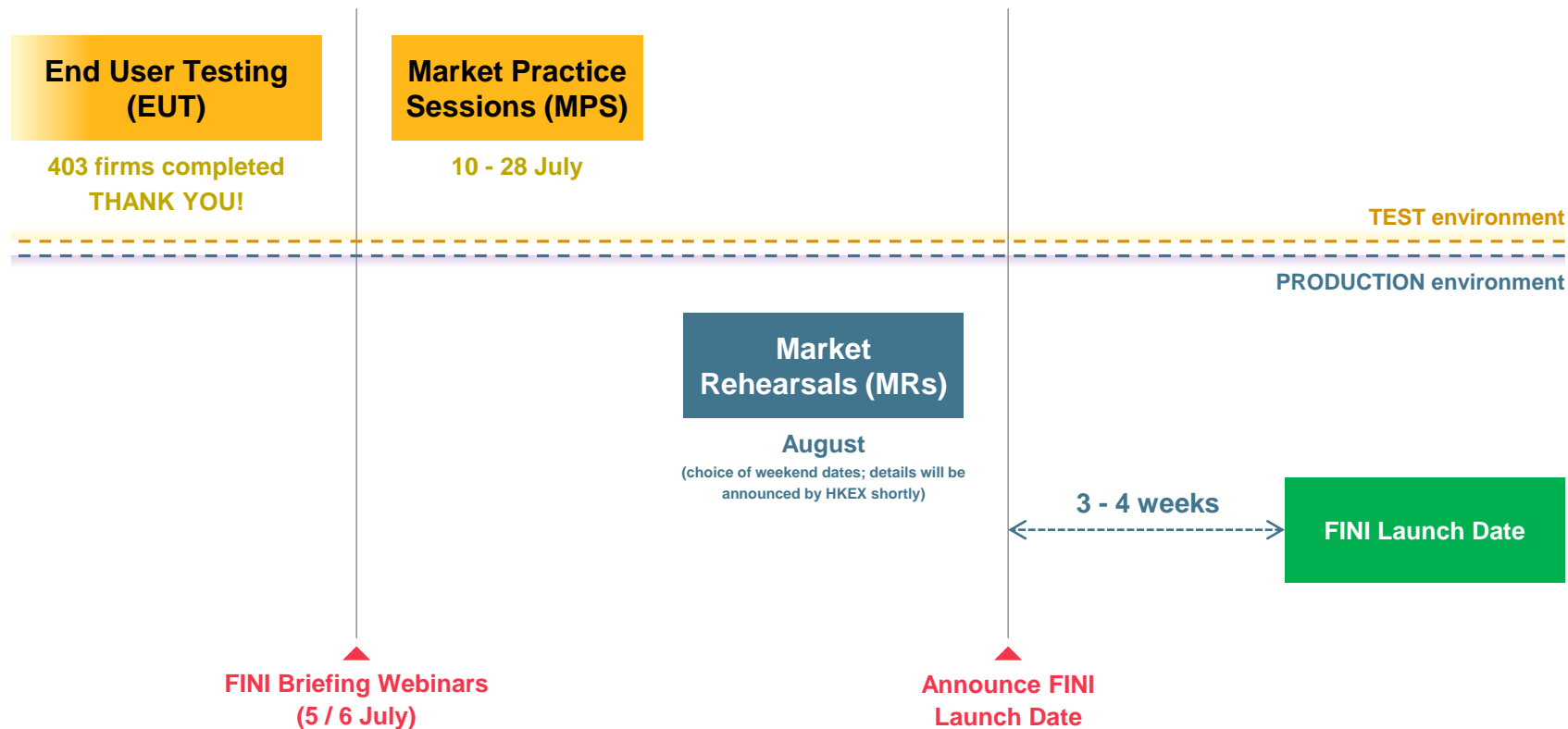
FINI will launch in **October 2023**.

This briefing is for all FINI Users to understand the activities between today and the go-live of the new settlement cycle and platform.

- 01 | Timeline to Launch
- 02 | Market Practice Sessions (MPS) [July]
- 03 | Market Rehearsals (MRs) [August]
- 04 | Transition Plan for FINI Launch
- 05 | Rule Changes & Other Updates



# 01 | Timeline to Launch [1/2] – Key Activities



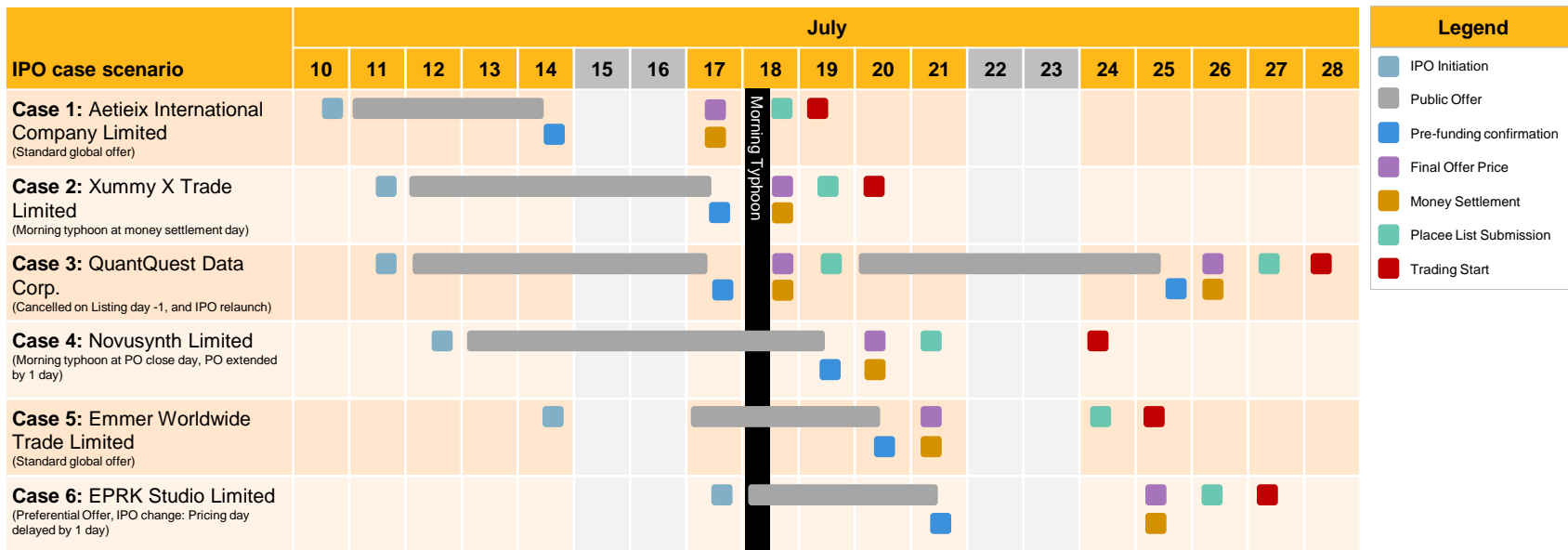
# 01 | Timeline to Launch [2/2] – Market Testing

	Market Practice Sessions (MPS)	Market Rehearsals (MRs)
Purpose	<p>Practice end-to-end T+2 IPO settlement using a set of simulated, realistic IPO cases</p> <p>! e.g. public offer subscription will last <b>3.5 business days</b></p>	<p>Test T+2 settlement on the ‘real’ FINI platform and system interfaces</p> <p>! e.g. public offer subscription will last <b>60 minutes</b></p>
Participants	<p>(1) As part of FINI Bank user.            (2) Users in these categories who have <b>not</b> been pre-assigned a role in MPS may contact <a href="mailto:projectfini@hkex.com.hk">projectfini@hkex.com.hk</a> to discuss how they may still participate in the MPS.</p>	<p>(1) As part of FINI Bank user.</p>
Interface	<p><b>FINI Banks</b> Payment / refund instructions and responses go through <b>'ZYYKHKH0'</b> CUG (Section 3 of the <a href="#">Bank Testing Info Pack</a>)</p> <p><b>Share Registrars</b> Public offer application / allotment / allocation files downloaded from file servers and transferred by <b>email</b></p>	<p><b>FINI Banks</b> Payment / refund instructions and responses go through <b>'HKSCHKH2'</b> CUG (Section 2 of <a href="#">User Guide for FINI Banks</a>)</p> <p><b>Share Registrars</b> Public offer application / allotment / allocation files directly transferred by <b>EMFT</b></p>
Environment	External User Testing (EUT)	Production (PROD)



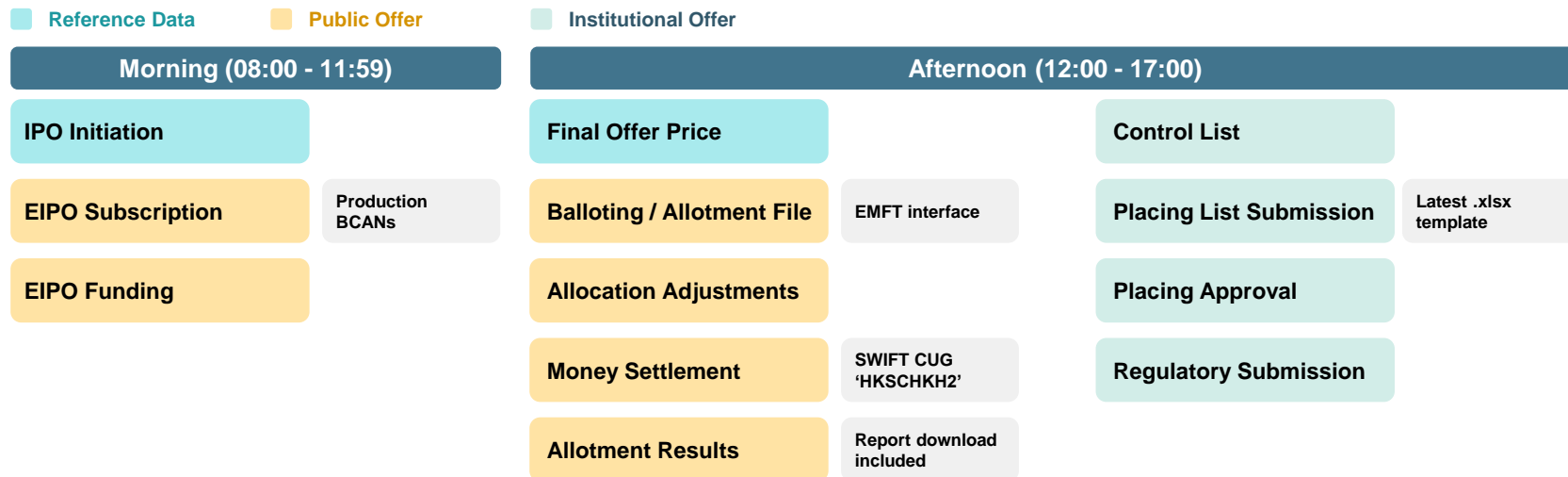
## 02 | Market Practice Sessions (MPS)

- Six IPO cases will be simulated, launching between 10-18 July
- Case 1 and Case 5 are “standard” global offers; other cases simulate a realistic ‘contingency’ event
- FINI Users should log in to the **End User Testing (EUT) environment** using same credentials as before to participate



## 03 | Market Rehearsals (MRs)

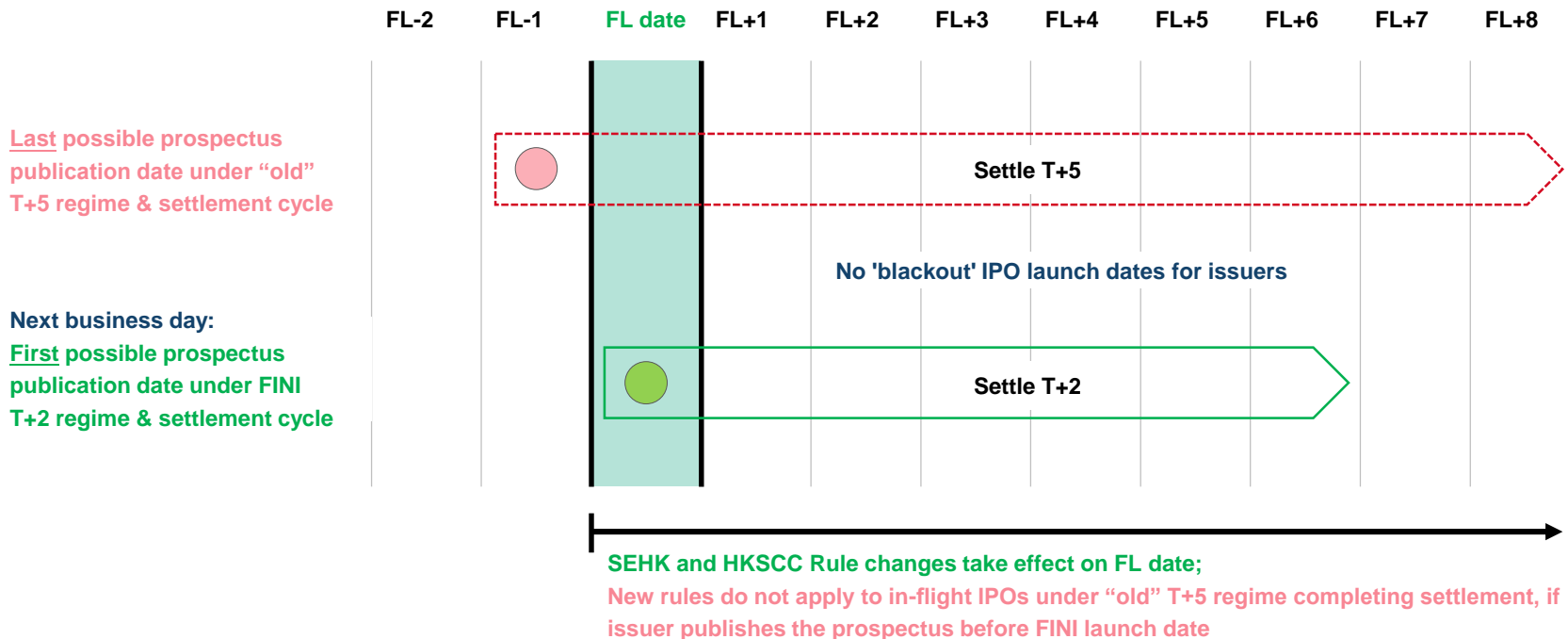
- Testing within the production environment under a compressed timetable that would complete all steps within a single day.
- The same rundown will be used for all weekend sessions.
- Testing includes infrastructure failover scenarios.
- Market participants should set up their production login credentials on the HKEX Access Management Portal.



HKEX strongly encourages market participants to join these sessions to ensure readiness for launch.

## 04 | Transition Plan [1/2]

- HKEX will announce the exact FINI launch date ("FL") after completion of the Market Rehearsals (MRs) (expected: October 2023)





# 04 | Transition Plan [2/2]

- During the short "parallel run" period (when T+5 IPOs are potentially still completing settlement, while 'new' T+2 IPOs are launched in FINI), HKEX's main goal is to minimise complexity and operational risk for all Hong Kong IPO market stakeholders.
- For this reason, any issuer that chooses to launch its IPO on FL / FL+1 / FL+2 will be asked to adopt a slightly longer than normal public offer subscription period. This one-off arrangement is necessary to enable the smooth cut-over of various FINI Users' settlement operations & systems.
- Any IPO launched from FL+3 onwards will follow the "normal" T+2 FINI settlement timetable, as shown below:

	-2	-1	FL	+1	+2	+3	+4	+5	+6	+7	+8	+9	+10	+11	
	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	
CCASS T+5		●	Subscription	T+5 Settlement							List ●				

→ CPs cut over to FINI & have time to finish subscribing under new regime

FINI FL launch !		●	Subscription (extended by 3 days)							T+2 Settlement	List ●	
FINI FL+1 launch !			●	Subscription (extended by 2 days)						T+2 Settlement	List ●	
FINI FL+2 launch !				●	Subscription (extended by 1 day)					T+2 Settlement	List ●	
FINI FL+3 launch					●	Subscription (normal)				T+2 Settlement	List ●	
FINI FL+4 launch						●	Subscription (normal)			T+2 Settlement	List ●	
FINI FL+5 launch							●	Subscription (normal)		T+2 Settlement	List ●	

	Prospectus issuance date	Listing date
Final CCASS T+5	●	●
First FINI T+2	●	●

The 'extended public offer' arrangement will apply to IPOs launched on FL, FL+1 or FL+2, as long as they include a public offer.

From FL+3, the "normal" T+2 FINI settlement timetable starts being followed.



## 05 | Rule Changes [1/2] – Summary

HKEX has published a series of new and updated documents in relation to the rule changes brought by FINI:

<b>Listing Rules &amp; Guidance</b>	<b>Main Board / GEM Listing Rules</b>	<ul style="list-style-type: none"><li>Specify the required submissions and data sharing / dual filing arrangements with the SFC for information processed on FINI</li></ul>
	<b>Updated Guidance Letters</b>	<ul style="list-style-type: none"><li>Withdrawal mechanism discontinued, removal of existing paper-based forms, updated guidance for Mixed Media Offers (MMOs)</li></ul>
	<b>“How to Apply” Guide</b>	<ul style="list-style-type: none"><li>Generic template for issuers’ inclusion within the ‘How to Apply for Hong Kong Offer Shares’ section of the HK IPO prospectus</li></ul>

*Note: further details are available on the Information Paper & dedicated “Launch of FINI Platform” [webpage](#) from the SEHK Listing Division*

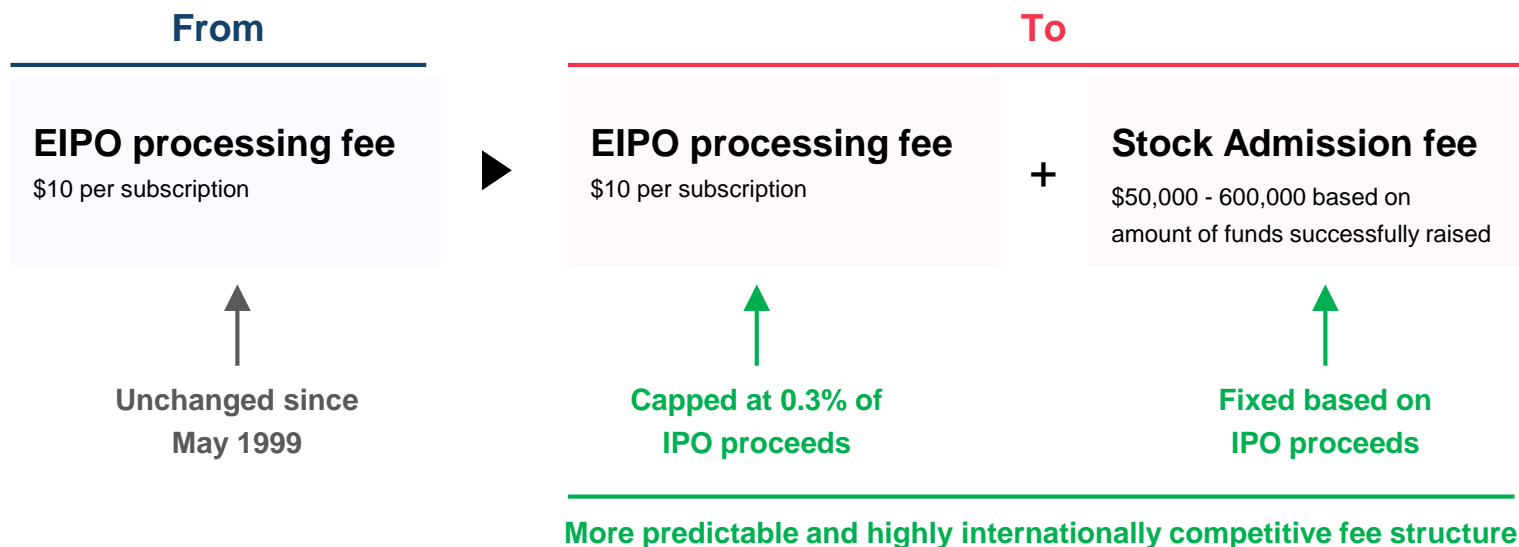
<b>Clearing House Rules &amp; Procedures</b>	<b>FINI Terms &amp; Conditions</b>	<ul style="list-style-type: none"><li>The rules and responsibilities that apply to Sponsors, Legal Counsels, Intermediaries, Share Registrars, and FINI Banks for using FINI</li></ul>
	<b>General Rules of CCASS</b>	<ul style="list-style-type: none"><li>The rules and responsibilities that apply to HKSCC Participants for using FINI, including the required pre-funding setup with EIPO Designated Banks</li></ul>
	<b>CCASS Operational Procedures</b>	<ul style="list-style-type: none"><li>The list of functions and reports made available to HKSCC Participants for using FINI, including detailed operational windows and deadline</li></ul>
	<b>Terms &amp; Conditions for Investor Participants</b>	<ul style="list-style-type: none"><li>EIPO service discontinued for Investor Participants; ISI charges for IPO shares acquired through an HKSCC Participant / Share Registrar waived</li></ul>



All rules and guidance will be effective upon the FL date for listings processed under FINI

## 05 | Rule Changes [2/2] – Stock Admission and EIPO Fees

Upon the launch of FINI, HKSCC's fee structure for IPO issuers will also be updated:



 The current EIPO processing fee for HKSCC Participants will remain unchanged.



The updated fee structure will be effective upon the FINI launch date

# 05 | #FINIready checklist

## Final preparations...

- ✓ Read the latest Information Pack and User Guides
- ✓ Set up user accounts and teams in [HKEX Access Management Portal](#)
- ✓ Obtain client consent to use BCANs for EIPO subscriptions
- ✓ Set up SWIFT BIC with HKSCHKH2 CUG for money settlement / refunds
- ✓ Set up EMFT interface for public offer balloting and allotment

HKSCC Participants

FINI Banks

Share Registrars

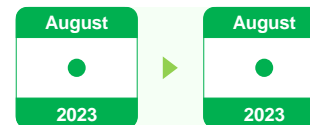


## Remember the dates...

Market Practice Sessions (MPS)

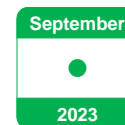


Market Rehearsals (MRs)



To be announced within July 2023

Announce FINI Launch ('FL') Date



3-4 weeks before actual FL Date

FINI Launch



# Questions?

For further information on HKEX, please go to  
[hkexgroup.com](https://www.hkexgroup.com) and [hkexnews.hk](https://www.hkexnews.hk)

For further information on FINI, please go to  
[hkex.com.hk/fini](https://www.hkex.com.hk/fini)

