

Frequently Asked Questions

Debt Securities for Professional Investors Only

1. Who are the target investors of debt securities listed under Chapter 37 of the Main Board Listing Rules?

Debt securities under Chapter 37 (“**Professional Debts**”) are targeted at professional investors only who are sufficiently sophisticated to determine whether a listing document provides them the necessary information to make an informed investment decision. These debts are offered to professional investors as defined in Part 1 of Schedule 1 to the Securities and Futures Ordinance, including authorized financial institutions, insurance companies and high net worth individuals or corporations having investment portfolio of not less than certain prescribed amounts.

2. Should retail investors participate in the Professional Debt market?

Professional Debts are not issued to the public. Retail investors should not participate in the Professional Debt market, whether through primary or secondary trading. Chapter 37 of the Listing Rules under which Professional Debts are listed, is not designed to contain provisions for the protection of retail investors. Professional Debts have a higher value minimum board lot of HK\$500,000 which is intended to limit retail investors’ access to the Professional Debt market.

3. How will investors find out which debt securities are for professional investors only?

Debt securities offered to professional investors have a free text message “Professional Only” on the AMS trading screens of these debts. Investors can also access the [list of debt securities for professional investors](#) on the HKEx website.

4. Are there secondary trading of Professional Debts on the Exchange?

Debt issues to professional investors does not preclude subsequent trading on the Exchange, but these securities are offered to professional investors only, typically institutions, in the expectation that they will trade the relevant securities off the Exchange with other professional investors. Liquidity for secondary market trading on the Exchange may be limited.

5. What are the settlement arrangements for Professional Debts?

Most of the Professional Debts are not admitted into the Central Clearing and Settlement System (CCASS) for clearing and settlement purpose. Trades executed on the Exchange will be settled outside CCASS through other means according to the issuer’s listing documents. Investors should make arrangements with their brokers before conducting any transactions on the Exchange.

6. What additional matters should Exchange Participants take note of prior to conducting transactions of Professional Debts for their clients on the Exchange?

Only professional investors (as defined in Part 1 of Schedule 1 to the Securities and Futures Ordinance) should trade in Professional Debts. Exchange Participants should exercise special caution when handling client order instructions to ensure the suitability of their clients to trade in these securities. Where the debt securities are not cleared through CCASS, the Exchange Participants should ensure appropriate payment and settlement arrangements are put in place before conducting any transactions for their clients on the Exchange.

7. Where can investors obtain the listing documents of Professional Debts?

Listing documents for Professional Debts are distributed to initial investors. Since Professional Debts are not issued to the public, the Listing Documents for Professional Debts are not posted on the HKExnews website. Professional investors should contact issuers to obtain the listing documents.

8. How long does it take to process the listing application of Professional Debts?

The Listing Rules provide that the Exchange will advise an issuer whether it and its debt securities are eligible for listing within five business days after receipt of application. In practice, for applications that do not involve novel features, the Exchange will, under normal circumstances, issue the listing approval letter or eligibility letter within one business day for issues involving a Hong Kong listed company; or within two business days for other issuers.