

Frequently Asked Questions No. 119-2023 to 134136-2023 (Effective on 31 December 2023) (Last updated in December 2023)

Questions Relating to Expansion of Paperless Listing Regime, Mandatory Electronic Dissemination of Corporate Communications and Simplification of Appendices to the Listing Rules

Status of “Frequently Asked Questions”

The following frequently asked questions (FAQs) are designed to help applicants and issuers to understand and comply with the Listing Rules, particularly in situations not explicitly set out in the Rules or where further clarification may be desirable.

Users of the FAQs should refer to the Rules themselves and, if necessary, seek qualified professional advice. The FAQs are not substitutes for the Rules. If there is any discrepancy between the FAQs and the Rules, the Rules prevail. Defined terms used herein have the same meaning as ascribed to them in the relevant Rules and guidance.

In formulating our “responses”, we may have assumed certain underlying facts, selectively summarised the Rules or concentrated on one particular aspect of the question. They are not definitive and do not apply to all cases where the scenario may at first appear similar. In any given case, regard must be had to all the relevant facts and circumstances.

The Listing Division may be consulted on a confidential basis. Contact the Listing Division at the earliest opportunity with any queries.

FAQ No.	Release Date	Main Board Rules	GEM Rules	FAQ No.	Query	Response
Reduction of submission documents and mandating submission by electronic means						
1.	27/10/2023	2.07(3A)	2.21	119-2023	How should documents be submitted to the Exchange by electronic means under the expanded paperless regime?	<p>The Exchange will establish a new online platform (“Issuer Platform”) as a designated channel for two-way communication between the Listing Division and new applicants/ listed issuers (except for structured products issuers). New applicants/ listed issuers and their professional parties will be able to use this platform to submit all documents and e-Forms to the Division electronically. The Exchange will update the market prior to the launch of the Issuer Platform, with necessary guidance.</p> <p>Until that time, new applicants and issuers (and their advisors) should continue to submit documents to the Listing Division through the existing permitted electronic means (e.g. by email or via HKEX-ESS).</p> <p>Structured products issuers should continue to submit documents to the Listing Division by email or via the “SPRINTS” platform.</p>

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2.	27/10/2023	9.11(3d), 9.11(3e)	12.22(3a), 12.22(3b)	120-2023	Given Form M116 (IPO-Reporting accountant's confirmation – no significant adjustment), Form M117 (IPO – Expert's confirmation – no material change) and the confirmations from a legal adviser on compliance with C(WUMP)O are no longer required to be submitted to the Exchange, are sponsors still required to obtain these documents from the relevant experts and legal advisers?	<p>Yes. Even though these documents are no longer required to be submitted to the Exchange, sponsors' due diligence obligations have not been altered.</p> <p>Sponsors are expected to continue to obtain such confirmations at the time of listing application and when the relevant information in the listing document is updated and are expected to be in a position to provide the Exchange with such confirmations on request.</p> <p>In addition, if there is any outstanding work to be performed by the reporting accountants or the relevant experts, the sponsors should submit information on such outstanding work procedures under item 22 of Form M104 at the time of submitting the listing application.</p>
3.	27/10/2023	3.09B, 3.09C, 3.09D, 3.20	5.02B, 5.02C, 5.02D, 5.13A	121-2023	Are issuers of debt securities offered to professional investors required to submit a signed Declaration and Undertaking with regard to Directors (superseded Main Board Rules Appendix 5 Form B) or a signed Director's and Supervisor's Form (superseded GEM Rules Appendix 6 Form A) as part of a listing application?	<p>No. The amendments to Main Board Rules 3.09B, 3.09C, 3.09D and 3.20 (and GEM Rules 5.02B, 5.02C, 5.02D and 5.13A) aim to codify the undertakings under the repealed Form 5B under the Main Board Rules (or the repealed Form 6A under the GEM Rules), and are not intended to impose any new obligations on directors. As such, these amendments do not apply to the directors of issuers of debt securities offered to professional investors only.</p>

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4.	27/10/2023	2.07(3A), 9.11(33) and 9.22 (2)	2.21, 12.25(2), 12.26E(2)	122-2023	What changes have been made to the process for applying for the Exchange's authorisation for prospectus registration?	The Exchange will update the market on developments regarding any <u>has published a Guidance Letter HKEX-GL-118-23 in relation to changes to the prospectus authorisation and registration process and issue guidance on this. Until that time, market. Market participants are expected to continue to follow existing processes should refer to the guidance letter for prospectus authorisation and registration details.</u>
5.	27/10/2023	1.02A, 2.07(3A)	1.03A, 2.21	123-2023	Is digital signature required in respect of documents electronically submitted to the Exchange that require signature?	Documents that are to be electronically submitted to the Exchange for the purpose of authorisation of prospectus registration under the Companies (Winding Up and Miscellaneous Provisions) Ordinance must be digitally signed. As mentioned in Question 4 above, the Exchange will issue <u>has issued</u> guidance on the changes to the prospectus authorisation and registration process in due course . Other than the above, we do not currently prescribe any electronic signature requirement for other submissions made to the Exchange that require signature.
Electronic dissemination of corporate communications						
6.	27/10/2023	2.07A	16.04A	124-2023	Are issuers required to notify their securities holders of the new mandatory requirement for electronic dissemination of corporate communications?	Before an issuer adopts any new arrangements on dissemination of corporate communications (e.g. transitioning from physical copy to electronic dissemination, or adopting a different consent mechanism for electronic dissemination), it should send a one-time notification to its securities holders individually, in hard copy or electronically ¹ , to: (a) inform them of the new arrangements (including how

¹ in case where the holder has previously agreed to be notified by a particular electronic means

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						<p>securities holders may make requests for hard copy corporate communications under the new arrangements) and (b) solicit their electronic contact details. <u>Issuers should use best efforts to follow-up on this solicitation of electronic contact details by, for example, sending periodic reminders to securities holders asking them to provide their electronic contact details if they have not done so.</u></p> <p>Also, all issuers must disclose on their websites (e.g. in the investor relations section), on an ongoing basis, the relevant arrangements for the electronic dissemination of their corporate communications (including the arrangements by which holders can make hardcopy requests). <u>This will enable new securities holders (who only become securities holders of the issuer after the implementation of any new arrangements and have not received the abovementioned one-time notification) to understand the relevant arrangements in place.</u></p> <p>Issuers are expected to clearly inform securities holders of the purpose of obtaining their electronic contact details when soliciting them from the holders (e.g. that the issuer will be using the electronic contact details to send actionable corporate communications). Issuers should also draw their securities holders' attention to the consequence of providing non-functional electronic contact details.</p>

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7.	27/10/2023	2.07A(4)	16.04A(4)	125-2023	<p>Can securities holders make requests for hard copies of corporate communications?</p> <p>What measures should a listed issuer put in place to ensure that securities holders wishing to request hard copy corporate communications are properly informed of how they can do so?</p>	<p>Yes, securities holders can request hard copies of corporate communications.</p> <p>A listed issuer must send corporate communications in printed form to a securities holder upon the request of a holder. Where a listed issuer receives instructions indicating a securities holder's preference to receive hard copies of the issuer's corporate communications (or refusal to receive them by electronic means), such instructions should be regarded as a request for hard copy unless such instructions have been revoked, have been superseded or have expired.</p> <p>Please refer to Question 6 for the measures a listed issuer should put in place to ensure that securities holders wishing to request hard copy corporate communications are properly informed of how they can do so.</p>

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8.	27/10/2023	2.07A(4)	16.04A(4)	126-2023	Can a request for hard copy corporate communications be valid for a specified period or must securities holders make a separate request for each and every corporate communication?	<p>Listed issuers may devise their own arrangements on how hardcopy requests are made and handled. However, issuers should not make the process so unduly burdensome or oppressive that it negatively prejudices the interests of their securities holders.</p> <p>For example, the Exchange would view an arrangement whereby securities holders are required to request hard copies on a per document basis as unduly burdensome for securities holders and issuers should not adopt such arrangements.</p> <p>Equally, a one-time request from a securities holder for corporate communications in hard copy should not be valid indefinitely.</p> <p>We would view an arrangement whereby a request for hard copy corporate communications was valid for a fixed period (e.g. one year) as reasonable. Any such request should be valid until the instructions have been revoked, have been superseded or have expired.</p>

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9.	27/10/2023	2.07A(4)	16.04A(4)	127-2023	Are all issuers required to amend their constitutional documents in light of the new electronic dissemination rules under the expanded paperless listing regime?	<p>No. An issuer is required to amend its constitutional documents only if its constitutional documents contain any provision which restricts an issuer's ability to disseminate its corporate communications electronically (e.g. any provision that mandates hardcopy dissemination as the only means of dissemination of corporate communications).</p> <p>If such a restriction is due to a requirement under the applicable laws and regulations the issuer is subject to, the issuer will be required to amend its constitutional documents to facilitate its compliance with the relevant Rules, if and when, the relevant restriction is removed from the applicable laws and regulations.</p>
10.	27/10/2023	2.07A, 13.76	N/A	128-2023	Must issuers continue to send corporate communications by airmail to securities holders with a contact address outside Hong Kong?	The requirement of Main Board Rule 13.76 on the use of airmail for communications sent across national borders continues to apply to communications and documents that are sent in hardcopy (e.g. a cheque refund).

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11.	27/10/2023	2.07A	16.04A	129-2023	What constitutes an “electronic form” of corporate communication? Is SMS or other electronic messaging systems accepted as a means to disseminate corporate communications electronically?	<p>Generally, the Exchange would view any communication that is supplied in the form of a record generated in digital form by an information system, that can be transmitted and stored, as being in “electronic form”.</p> <p>The interpretation used in C(WUMP)O as to how documents or information is considered to be sent or supplied in electronic form is a useful reference in this regard.</p> <p>The Exchange does not prescribe detailed requirements on this matter and issuers have the flexibility to devise their own arrangements based on their own circumstances.</p>

12.	27/10/2023	Note 3 to Rule 2.07A	Note 3 to Rule 16.04A	130-2023	<p>What should issuers do if they try to send corporate communications to individual securities holders electronically but find that the electronic contact details provided to them by a securities holder are non-functional?</p>	<p>The Exchange will not hold issuers responsible for failed electronic communications that are due to non-functional electronic contact details provided to them by securities holders.</p> <p>However, issuers are expected to take appropriate steps to minimise the chance of unsuccessful electronic communication (e.g. by drawing the securities holders' attention to the risk of providing non-functional electronic contact details; reminding securities holders to use legible handwriting if they are filling in the relevant contact details in a paper form; or requiring securities holders to input the relevant contact details twice if an electronic form is used, etc.).</p> <p>The Exchange will consider an issuer to have complied with its obligations if the issuer has used reasonable efforts to contact a securities holder using the electronic contact details provided. In general, an issuer is considered to have complied with the requirements if it sends corporate communications to the electronic contact details provided by the securities holders without receiving any "non-delivery message".</p> <p>If an issuer has attempted to send a corporate communication electronically and received a non-delivery message, the issuer should re-send the corporate communication using other contact details provided by the securities holder (if any) in the manner the issuer considers appropriate (e.g. in hard copy). In the case of actionable corporate communications, the issuer must send the actionable corporate communication in printed form that includes a request for the holder's functional electronic contact details for the purpose of its future compliance with the Listing Rules.</p>
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13.	27/10/2023	1.01	1.01	131-2023	What constitutes “actionable corporate communications”?	<p>An “actionable corporate communication” is any corporate communication that seeks instructions from issuer’s securities holders on how they wish to exercise their rights or make an election as the issuer’s securities holder.</p> <p>The list of items that the Exchange considers to fall within “actionable corporate communications” are as follows:</p> <ul style="list-style-type: none"> a) Election forms in connection with a dividend payment (e.g. choice of scrip or cash dividend, currency) (<i>Note 1</i>); b) Excess application forms in connection with a rights issue or open offer; c) Application forms for assured entitlement under an open offer; d) Blue application forms for a preferential offering; e) Pink application forms for employee reserved shares; f) Acceptance forms in connection with takeovers, mergers and share buy-backs (including acceptance forms in general offers and acceptance and approval form in partial offers); and g) Provisional allotment letters in connection with a rights issue (<i>Note 2</i>). <p>The Exchange does not consider notices of general meetings and proxy forms to be actionable corporate communications. Notices of general meetings only serve to inform securities holders of an upcoming general meeting and securities holders are not required to respond to such notices with their instructions. Holders wishing to appoint a proxy to</p>
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					<p>attend a general meeting on their behalf can download the proxy forms from the Exchange's or the issuer's website for completion.</p> <p>Similarly, the Exchange does not consider any form that is designed for securities holders to amend (i) their previously provided information or preference; or (ii) any default preference that is pre-selected by the issuer pursuant to its policy (e.g. a form to change communication language preference, a form to change their address, or a form to change default currency option for receiving dividends etc.) to be actionable corporate communications. This includes forms designed for securities holders to amend information they have provided in response to an actionable corporate communication.</p> <p>Securities holders who wish to be notified of corporate communications that are not actionable corporate communications may subscribe for electronic alerts, such as the News Alert service on HKEX website, to receive instant notification of issuers' announcements.</p> <p>Notes:</p> <p><i>1. In relation to election forms in connection with a dividend payment, please also refer to the Guide on Distribution of Dividends and Other Entitlements (Section 6: Entitlement with election(s)).</i></p> <p><i>2. In relation to provisional allotment letters in connection with a rights issue, such letters are a form of temporary documents of title and must be despatched in printed form to securities holders in accordance with paragraph 2 of Appendix B1 of the Main Board Rules (paragraph 2 of Appendix B1 of the GEM Rules).</i></p>
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14.	27/10/2023	2.07A(2A)	16.04A(2A)	132-2023	The deemed consent mechanism has been removed from the Listing Rules, does that mean issuers are no longer permitted to rely on that mechanism?	<p>A listed issuer is able to use the consent mechanism of its choice for disseminating corporate communications electronically provided that the chosen mechanism is permissible under the laws and regulations applicable to it.</p> <p>This means that an issuer may adopt an electronic dissemination method consistent with the deemed consent mechanism previously provided by the Listing Rules if it wishes to do so.</p>
15.	27/10/2023	13.56	17.60	133-2023	How do the requirements on the electronic dissemination of corporate communications apply to beneficial holders of securities held in CCASS?	<p>The Listing Rule requirements on electronic dissemination of corporate communications do not apply to the manner in which corporate communications are disseminated by intermediaries to beneficial holders of securities held in CCASS (with the exception set out in the next paragraph). The mode of delivery of corporate communications between these intermediaries and these beneficial holders is governed by the terms agreed between them.</p> <p>However, “Non Registered Holders” (as defined by the Listing Rules) can notify a listed issuer, through HKSCC, that they wish to receive corporate communications pursuant to the Listing Rules. Listed issuers remain responsible for disseminating corporate communications to such Non-Registered Holders in the same way as to Registered Holders in accordance with the Listing Rules under the expanded paperless regime, <u>and should send the one-time notification referred to in Question 6 above to Non Registered Holders individually under the circumstances specified in that question.</u></p>

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16.	27/10/2023	2.07A(1)	16.04A(1)	134-2023	How should a Hong Kong incorporated issuer disseminate corporate communications to its securities holders under the new electronic dissemination rules under the expanded paperless listing regime?	Under the existing Hong Kong company laws, Hong Kong incorporated listed issuers are not able to rely on an implied consent from securities holders for electronic dissemination of corporate communications. They should take steps to obtain express or deemed consent to electronic communications under these laws, and should disseminate corporate communications in hard copy if such express or deemed consent has not been given.
<u>17.</u>	<u>13/12/2023</u>	<u>2.07A(4)</u>	<u>16.04A(4)</u>	<u>135-2023</u>	<u>Are issuers required notify securities holders when they publish a corporate communication on their website / the Exchange's website?</u>	<u>An issuer is not required, by the Listing Rules, to send any notification to securities holders informing them of the publication of corporate communications. This is except where the issuer is disseminating an actionable corporate communication, which must be sent to securities holders individually.</u> <u>As mentioned in Question 13 above, securities holders who wish to be notified of corporate communications may subscribe to electronic alerts, such as the free News Alert service on HKEX website.</u>

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<u>18.</u>	<u>13/12/2023</u>	<u>2.07A(4)</u>	<u>16.04A(4)</u>	<u>136-2023</u>	<u>Are issuers required to put in place mechanisms to receive electronic instructions from securities holders in response to actionable corporate communications?</u>	<u>The Listing Rules do not prescribe how a securities holder must respond to actionable corporate communications they receive from an issuer. Similarly, the Listing Rules do not prescribe the mechanism that an issuer must put in place to receive instructions from securities holders in response to actionable corporate communications. This mechanism could be, for example, a designated email box, an electronic online platform or hardcopy by post.</u>