

Overview of Policy Statement on Issuers from Overseas Jurisdictions

A key initiative under the HKEx Strategic Plan for 2007-2009 is to open the equity listing regime further to issuers from overseas jurisdictions. A significant step in implementing this initiative was taken when HKEx, jointly with the Securities and Futures Commission, published a policy statement regarding the listing of overseas companies (Joint Policy Statement) on 7 March this year.

The Joint Policy Statement is aimed at facilitating the listing of overseas companies by clarifying current requirements in the Listing Rules and providing clear guidance to potential issuers and their advisers concerning with the Stock Exchange's practices. In particular, it clarifies that the Listing Rules do not restrict listing applicants from overseas jurisdictions to companies only from Bermuda, the Cayman Islands and Mainland (the recognised jurisdictions), and includes a schedule of shareholder protection matters under five key headings that the Stock Exchange ordinarily expects overseas companies incorporated outside the recognised jurisdictions to address when seeking a primary listing on the Stock Exchange. The schedule attached to the Joint Policy Statement is intended to assist overseas companies incorporated outside the recognised jurisdictions by reducing the absolute amount of work needed to file with the Stock Exchange and allowing them to focus attention on fewer and more relevant issues. In October and November last year the Stock Exchange published guidance regarding two additional jurisdictions, Australia and British Columbia, Canada, and indicated that each would be acceptable places of incorporation for the purposes of the Listing Rules.

HKEx believes that the guidance provided in the Joint Policy Statement will remove a significant element of uncertainty about the listing process for an even wider range of overseas companies and provide a clear signal that the Hong Kong listing regime is open to companies from overseas jurisdictions.



While the Joint Policy Statement represents a step towards expanding the listing regime to include companies from more overseas jurisdictions, this step alone will not be sufficient to attract overseas companies to Hong Kong. To make this happen, HKEx will continue and intensify its promotional efforts to reach potential listing applicants in more overseas markets. HKEx will also look to coordinate its activities with compatible initiatives and activities undertaken by the Hong Kong Government, market practitioners, industry groups and trade associations to help clear away potential impediments which may deter companies from overseas jurisdictions considering a Hong Kong listing or diminish the attractiveness of listing in Hong Kong.