

## HKEX GUIDANCE LETTER

HKEX-GL71-14 (January 2014) (Updated in March 2019) **(Withdrawn in January 2024)**

**[Superseded by new version issued in January 2024 (which is in line with the relevant guidance set out in the Guide for New Listing Applicants)]**

<b>Subject</b>	<b>Gambling Activities of New Applicants and/ or Listed Issuers</b>
<b>Listing Rules</b>	<b>Main Board Rules 2.13(2), 8.04 and 11.07 GEM Rules 11.06, 14.08(7) and 17.56(2)</b>
<b>Related Publication</b>	<b>HKEX News Release (11/3/2003) (“March 2003 HKEX News Release”)</b>
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**Important note:** *This letter does not override the Listing Rules and is not a substitute for advice from qualified professional advisers. If there is any conflict or inconsistency between this letter and the Listing Rules, the Listing Rules prevail. You may consult the Listing Department on a confidential basis for an interpretation of the Listing Rules or this letter.*

### 1. Purpose

- 1.1. This letter provides guidance for companies that undertake gambling activities and incorporates relevant information from the March 2003 HKEX News Release. ***(Updated in March 2019)***

### 2. Guidance

2.1 ***(Deleted in March 2019)***

2.2 It would not be contrary to public interest if a new applicant or listed issuer’s operations involve gambling activity that is not unlawful under the Gambling Ordinance (Cap. 148)<sup>1</sup> and under the laws of the jurisdictions in which it takes place. ***(Updated in March 2019)***

2.3 ***(Deleted in March 2019)***

2.4 ***(Deleted in March 2019)***

2.5 Additional relevant disclosure would be required in the prospectus, announcement or circular with a view to ensuring transparency of the specific gambling activities and the associated risks. Such disclosure would include:

- the type(s) of gambling activities;
- the applicable regulatory or licensing requirements, government policies that regulate the gambling activities, and relevant anti-money laundering laws (the **“Applicable Laws”**);

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<sup>1</sup> Such gambling activity has the following features: (i) it takes place outside Hong Kong; and (ii) the bookmaking transactions and the parties to the transactions are outside Hong Kong.

- how the Applicable Laws are administered and enforced;
- the controls implemented by the new applicant to comply with the Applicable Laws;
- confirmations from independent professional parties regarding the new applicant or listed issuer's compliance with all Applicable Laws, and adequacy and effectiveness of its internal control measures implemented with respect to the operations of gambling activities and anti-money laundering; and
- specific risks in relation to its gambling operations (including the risk of suspension and cancellation of listing should such gambling operations become illegal). **(Updated in March 2019)**

2.6 For listed issuers acquiring or investing in a gambling business, such disclosure would be required in addition to the disclosure requirements under Chapters 14 and/ or 14A or Rule 13.09 (in respect of the Main Board Listing Rules) or Chapters 19 and/ or 20 or Rule 17.10 (in respect of the GEM Listing Rules). The extent of additional disclosure would depend on the materiality of the transaction to the listed issuer. **(Updated in March 2019)**

#### **A. New Applicants**

2.6.1 Where a new applicant engages in gambling activities, it must use its best endeavours to ensure that its gambling activities comply with the Applicable Laws and operate in a jurisdiction with an established licensing regime for gambling activities. **(Updated in March 2019)**

2.6.2 If a new applicant's operation of gambling activities (i) fails to comply with the applicable laws in the jurisdictions where such activities take place; and/ or (ii) contravenes the Gambling Ordinance (Cap. 148), it will be considered unsuitable for listing under Main Board Rule 8.04 (GEM Rule 11.06). **(Updated in March 2019)**

2.6.3 **(Deleted in March 2019)**

#### **B. Listed Issuers**

2.6.4 Where a listed issuer invests directly or indirectly in gambling activities, it must use its best endeavours to ensure that, so long as its shares are listed on the Exchange, such gambling activities must comply with the Applicable Laws. **(Updated in March 2019)**

2.6.5 Should the operation of such gambling activities (i) fail to comply with the applicable laws in the jurisdictions where such activities take place; and/ or (ii) contravene the Gambling Ordinance (Cap. 148), the listed issuer may be considered unsuitable for listing under Main Board Rule 8.04 (GEM Rule 11.06). Depending on the circumstances of the case, the Exchange may direct the issuer to take remedial action, suspend dealings in, or may cancel the listing of, its securities pursuant to Main Board Rule 6.01 (GEM Rule 9.01). **(Updated in March 2019)**

2.6.6 Any announcement and/ or circular of the listed issuer on its investment in relation to the operation of gambling activities must confirm that the gambling activities are

lawful and highlight the risk of suspension and cancellation of listing should the operation of the gambling activities fail to fulfil the above legality requirement.

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