HKEX
香港交易所

HKEX Guidance Letter
HKEX-GL79-14

September 2014 (Last updated in ~~January~~ July ~~2024~~2026)

Guidance on authorised collective investment schemes

I. Purpose

1. This letter provides guidance for authorised collective investment schemes (**CIS**) under MB Chapter 20. The guidance is also set out in Chapter 5.2 of the Guide for New Listing Applicants.

2. The SFC is the primary regulator for CIS including (i) authorisation of CIS and their offering documents in accordance with the applicable laws and regulations; and (ii) monitoring compliance with these authorisation conditions and applicable requirements.

3. The Exchange's primary role in CIS regulation is to maintain a fair, orderly and efficient market in the trading of CIS in accordance with the Listing Rules and the applicable trading rules of the Exchange.

II. Appointment of listing agent and other intermediaries

4. The listing agent must demonstrate that it has relevant experience handling a CIS listing application. The CIS Operator, or other qualified persons (e.g. legal advisers, financial advisers or persons with appropriate licences under the SFO) with the relevant experience who are authorised by the CIS Operator to handle the authorisation and listing process are normally acceptable to the Exchange to act as a listing agent.

5. Where the CIS applicant conducts an IPO of its CIS interests, or in other circumstances as the Exchange or the SFC may otherwise determine, the Exchange will require a listing agent to have all the necessary licences and qualifications to oversee the management of the listing process as required under MB Rule 20.06(2)(a) to (e).

6. According to the Code on Real Estate Investment Trusts, the listing agent for a new REIT applicant is in effect assuming the responsibilities of, and discharging a function no different from, the sponsor of an IPO. Accordingly, where the CIS applicant is a REIT or where the Exchange or the SFC may otherwise requires, the listing agent must have the requisite licences and qualifications to act as a sponsor.

7. Under MB Rule 20.23A, in the case of offerings involving bookbuilding activities (as defined under the Code of Conduct) of interests in a REIT by a new REIT applicant or an existing authorised REIT, MB Chapter 3A and other Listing Rules provisions relating to sponsor-overall coordinator (**OC**), OC and other capital market intermediaries shall apply. A CIS applicant involved in such an offering must therefore appoint at least one sponsor-OC in compliance with MB Rule 3A.43, and where a CIS applicant appoints any other OC or capital market intermediary, the relevant requirements under MB Chapter 3A shall also apply.

III. Early consultation with HKSCC for applications involving foreign elements

8. CIS applicants who are applying to list CIS interests in the form of (i) an entity incorporated outside of Hong Kong; or (ii) a trust organised under any law other than Hong Kong law, or other contractual form, the terms and conditions of which are governed by any law other than Hong Kong law, are encouraged to consult HKSCC in advance. The process for review by HKSCC will take time depending on the complexity of the issues raised. The consultation should be addressed to: Manager, Stock Admission, 30/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong, and with a copy to Co-Heads of IPO Vetting, 12th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

9. The CIS applicants should satisfy HKSCC that:

   (i) The laws of the relevant jurisdiction to which such securities/interests/instruments are subject to (which govern the creation of such securities/interests/instruments) recognise the concept of beneficial ownership under the existing custody structure operated by HKSCC and the transfer of such beneficial interests as envisaged under the CCASS Rules such that CCASS clearing participants transacting in and custodying such securities/interests/instruments on behalf of their clients are able to acquire proprietary interests in such securities/interests/instruments;

   (ii) All perfection requirements in the relevant jurisdictions (if any) can be complied with by CCASS clearing participants as the CCASS Rules envisage that clearing participants may provide such securities/interests/instruments as collateral for their exchange transactions in satisfaction of their margin requirements;

   (iii) There are no other legal or regulatory implications arising from the clearing and custody of such securities/interests/instruments by or on behalf of HKSCC which may have an impact on the performance of HKSCC's role as a central clearing counterparty and central securities depository in accordance with the CCASS Rules; and

   (iv) There are no other issues which may have a legal or regulatory impact on The Stock Exchange of Hong Kong Limited as a legal entity.

10. The Exchange expects CIS applicants to provide a formal legal opinion addressed to, and which may be relied upon by, HKSCC which addresses the issues set out in paragraphs 9(i) and (ii) above.

IV. Publication of Published Application Proof (**AP**) and Post-hearing Information Pack (**PHIP**)

11. Where a CIS applicant's listing agent is required to discharge functions equivalent to those of a sponsor, the applicant:

   (i) may elect to ~~is required to~~ publish a~~n~~ Published AP, subject to the requirements set out in MB Rule 20.25; and

   ~~11.~~ (ii) is required to publish ~~and~~ a PHIP in accordance with MB Rule~~s~~ ~~20.25 and~~ 20.26~~, respectively~~.

V. Application process

12. Following acceptance of a new listing application, the Exchange will issue a letter to notify the CIS applicant of the stock code allocation arrangements. The drawing of the stock code can take place prior to the issue of the approval-in-principle letter (**AIP**) and a confirmation of the stock code will be issued when the Exchange issues the AIP. An AIP should be issued within five clear business days if all documentation is in order and there are no material comments.

13. Where there is an IPO and the CIS applicant and its listing agent outsource the process of reviewing the application forms for the subscription of CIS interests to a third party service provider (e.g. a share registrar), the CIS applicant and its listing agent must discuss with the service provider the reasonable steps to identify and reject multiple or suspected multiple applications. Outsourcing to a third party service provider would not release the CIS applicant or the listing agent from their responsibilities to identify and reject multiple or suspected multiple applications.

VI. Documentary and administrative requirements

14. The documentary and administrative requirements are set out in MB Rules 20.14, 20.15, 20.17, 20.25 and 20.26 (where applicable) as well as the checklists and forms available on the Exchange's website. The following table sets out additional documentary and administrative matters during the application process (unless otherwise specified, the documents should be in text searchable PDF format and submitted through HKEX-ESS):

Stages	Requirements
Before Form A2 submission	(i) A listing agent must register as a HKEX-ESS user at least three business days before any submission or publication of documents through HKEX-ESS. (ii) A listing agent who is required to discharge the functions of a sponsor must submit a sponsor engagement letter. (iii) A listing agent must obtain a company case number (Form CN001 (CIS)) from the Listing Division – IPO Vetting Department, at least one business day before filing the SFC authorisation application to the Exchange. (iv) Submit Form A2 (e-Form CIS002[1]) through HKEX-ESS in advance of the expected filing date. The Exchange will only accept a scanned copy of the completed and signed version as the final listing application form.

[1] e-Form CIS002 "Listing Application Form".

<table>
<tr><th>Stages</th><th>Requirements</th></tr>
<tr><td>At the time of Form A2 submission</td><td>(i) Initial listing fee should be deposited/transferred to the Exchange's designated bank accounts by cheque, electronic transfer or Faster Payment System (FPS). The payment record (i.e. the scanned/ electronic copy of cheque, bank-in slip and/or bank transfer confirmation) should be uploaded to the HKEX-ESS:
<table>
<tr><th>Payment</th><th>Details</th></tr>
<tr><td>Cheque</td><td>Name of Payee: The Stock Exchange of Hong Kong Limited
Bank: Hang Seng Bank Limited
Account no.: 262-008113-001</td></tr>
<tr><td>Electronic Transfer</td><td>Bank account number: 024-262-008113-001
Account name: The Stock Exchange of Hong Kong Limited
Bank: Hang Seng Bank Limited
Bank address: 83 Des Voeux Road Central Hong Kong
Swift code (for non-local transfer only): HASEHKHH</td></tr>
<tr><td>FPS</td><td>FPS email address: sedn@hkex.com.hk</td></tr>
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</td></tr>
<tr><td>At least 4 clear business days before the expected date of issue of the approval-in-principle letter by the SFC</td><td>(i) In case of a placing involving bookbuilding activities (as defined under the Code of Conduct) in connection with a new listing, information under MB Rule 9.11(23a).</td></tr>
<tr><td>On or before the issue of the listing document</td><td>(i) A listing agent's letter or email notifying the Exchange if the CIS applicant will not adopt the standard transfer form.</td></tr>
<tr><td>After the issue of the listing document but before dealings commence</td><td>(i) Submit a "ready-to-publish" electronic copy of the CIS Disclosure Document for publication through HKEX-ESS.

For CIS applicant with IPO:

(ii) Submit a "ready-to-publish" electronic copy of any application form for the subscription of CIS interests (in sample format) for publication through HKEX-ESS. A "SAMPLE" watermark (i.e. ghost text) or text to like effect should be printed on each page of the electronic copy of the application form.

(iii) A draft allotment results for vetting according to the e-Submission System User Manual which should include "Search by Identity Card" function if the CIS applicant proposes to raise HK$1.5 billion or more in the Hong Kong offering.

(iv) Relevant placee information and marketing statement in specified forms.

(v) Receiving banks' staffs should be made aware that potential investors are permitted to obtain both English and Chinese versions of the CIS Disclosure Document during the offer period.</td></tr>
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VII. Stamp duty remission

15. With effect from February 2015, stamp duty is waived for the transfer of units of all Exchange Traded Funds (**ETF**), regardless of their underlying portfolios, dates of listings or whether stamp duty has been remitted in respect of them. Procedures to facilitate CIS applicants to obtain the stamp duty remission are not necessary.

VIII. Post-listing requirements

Listing of additional interests after listing

16. Close-ended listed CIS issuers (e.g. REIT) must submit a listing application to the Exchange as required under MB Rule 20.15. This requirement does not apply to an open-end listed CIS issuer (e.g. ETF) as listing approval granted at the time of new listing covers any additional interests it may issue after listing.

Change in trading arrangements

17. A listed CIS issuer should consult the Exchange on any proposal to change its arrangements for trading in its interests on the Exchange (e.g. a consolidation or subdivision of the CIS interests in the form of units). It should agree its proposed change and timetable with the Exchange before it announces the proposal.