

Submitted via Qualtrics

Slaughter and May

Company/Organisation view

Law Firm

Question 1

Do you agree with the Electronic Instructions Proposal as detailed in paragraphs 29 to 45 of the Consultation Paper?

Yes

Please give reasons for your views.

We agree with the rationale for the proposal, subject to any comments that may be raised by issuers or registrars regarding any technical, resource and/or cost implications of the proposal.

We would also be grateful if the Exchange could:

(a) clarify what it envisages a statement of identity would include (in the context of authentication mechanisms);

(b) clarify whether issuers would be permitted to mandate security holders send requested communications by electronic means only;

(c) consider addressing the situation where there is a technical failure of an issuer's e-platform system; and

(d) consider amending Note 4 to LR13.38 to read "An issuer must enable holders of its securities to send, and the issuer to receive, the proxy form by electronic means to the extent required under rule 2.07D". This is on the basis the requirements should apply only to the extent permitted under applicable laws and regulations.

Question 2

Do you agree with the implementation timeline (including the availability of transitional arrangements) for the Electronic Instructions Proposal as set out in paragraphs 47 to 54 of the Consultation Paper?

Please give reasons for your views.

We would defer to the views of issuers and registrars on the implementation timeline, which should take into account their readiness to implement the proposal, particularly in relation to Non-Standardised Requested Communications.

Question 3

Do you agree with the Real-time Electronic Payment Proposal as detailed in paragraphs 69 to 74 of the Consultation Paper?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal and believe electronic payment will streamline processes on takeovers and other transactions. We would defer to the views of issuers and other market participants on the suitability of CHATS as the prescribed electronic payment option e.g. any comments that may be raised regarding the cost of using CHATS and whether there may be other electronic payment methods that should be considered.

We would also like to clarify if issuers would be permitted to prescribe CHATS (or CHATS and another electronic payment method) as the only payment option(s) for securities holders to receive corporate action proceeds.

Question 4

Do you agree with the Electronic Subscription Monies Proposal as detailed in paragraphs 83 to 89 of the Consultation Paper?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal. The Exchange may wish to consider whether it should specify a list of acceptable electronic payment methods to mitigate the risk of a less secure method being chosen by issuers.

We note paragraph 84 states that issuers would “still be required to accept payments by paper cheques or cashier orders”. The Exchange could consider making this clear in guidance materials as, as far as we are aware, there is currently no Rule requirement stipulating this.

Question 5

Do you agree that MMOs should no longer be available to issuers as set out in paragraph 99 of the Consultation Paper?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal, which would facilitate a fully electronic IPO process and further enhance efficiency.

Question 6

Do you agree with the Hybrid General Meeting and E-voting Proposal as detailed in paragraphs 129 to 134 of the Consultation Paper?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal.

Could the Exchange please: (a) consider if the proposed new wording at Appendix A1 (which states to the effect that an issuer must ensure its constitutional document enables virtual meetings and e-voting) should be subject to “all applicable laws and regulations”. We believe this would reflect the Exchange’s intention as noted in paragraph 129 of the consultation; and (b) confirm constitutional documents do not have to expressly allow virtual meetings and e-voting unless relevant laws require express provisions to enable virtual meetings and e-voting to take place.

Question 7

Should issuers be required to provide securities holders with an option to attend general meetings remotely and vote via electronic means (as set out in paragraph 135 of the Consultation Paper)?

No

Please give reasons for your views.

As noted in paragraph 132 of the consultation, the Exchange’s proposals as drafted would not mandate hybrid general meetings or e-voting and issuers would be able to determine the form and manner that best suits their circumstances and securities holders’ needs. We agree with this and submit issuers should retain the flexibility to determine the form and manner that they consider most appropriate in the circumstances, which may be physical-only meetings.

Question 8

Should web accessibility guideline(s) (e.g. WCAG) be incorporated into, or referred to, in the Listing Rules (for example, the CG Code) or the Exchange’s guidance, such that any corporate communications made available on issuers’

website under the Rules should conform to such guideline(s), as set out in paragraph 146 of the Consultation Paper?

Please give reasons for your views.

We support the rationale behind the proposal, but would defer to the views of issuers and their IT team / advisers on any technical, cost and/or resource implications to be taken into account when implementing the proposal, in particular on the appropriate level of conformance with any web accessibility guidelines. The Web Accessibility Handbook (digitalpolicy.gov.hk) issued by the Government's Digital Policy Office states (in the context of WCAG) that "conformance to Level AAA may require substantial resources from the organisations under certain circumstances. To achieve the right balance, Level AA conformance would generally enable persons with disabilities to use a website."

If the proposal is adopted, the Exchange may consider requiring issuers to refer to the web accessibility guidelines perhaps first on a best practice basis to see how this in practice can be implemented.

Question 9

Do you agree with adding a new note to MB Rule 13.46(1) to clarify that the conditions for granting waivers from the publication and distribution requirements of annual results/reports also apply to issuers that are neither overseas issuers nor PRC issuers (see paragraph 151 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the proposed clarification. Issuers should be placed on a level-playing field.

Question 10(a)

Do you agree with the following proposed amendments to align requirements:

To amend paragraph 12B of Appendix D2 to the MB Rules (GEM Rule 18.39B) to remove the annual affirmation requirement for independent non-executive director (see paragraph 152 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposed amendments.

Question 10(b)

Do you agree with the following proposed amendments to align requirements:

Amend MB Rule 9.11(33) (GEM Rule 12.25(2)) to more accurately reflect the documentary requirements for the registration of a prospectus of C(WUMP)O (see paragraph 154 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposed amendments.

Question 10(c)

Do you agree with the following proposed amendments to align requirements:

To remove GEM Rule 18.50C to align the requirement on the timeframe for submission of annual report with the MB Rules (see paragraph 155 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposed amendments.

Question 10(d)

Do you agree with the following proposed amendments to align requirements:

To align the market capitalisation information required on Main Board and GEM listing application forms (see paragraph 157 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposed amendments.

Question 11

Do you agree with the proposal to amend MB Rule 2.07C to cover the types of announcements mentioned in paragraphs 158 and 159 of the Consultation Paper?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal.

Question 12

Do you agree with the proposal to amend MB Rule 37.06 as mentioned in paragraphs 161 to 164 of the Consultation Paper?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal.

Question 13

Do you agree with the proposal to clarify the scope of Professional Debt Issuers' continuing obligation to notify the Exchange of their proposals to amend trust deed (see paragraphs 165 and 166 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal.

Question 14

Do you agree with the proposal to clarify the scope of Professional Debt Issuers' continuing obligation to submit financial statements to the Exchange (see paragraphs 167 and 168 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal.

Question 15

Do you agree with the proposal to revise the scope of Public Debt Issuers' continuing obligation to inform and submit drafts to the Exchange with respect to their proposal to amend documents that affect the rights of the holders of their listed debt securities (see paragraphs 169 to 171 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal.

Question 16

Do you agree with the proposal to clarify the validity period of a debt programme under MB Rule 37.41 (GEM Rule 30.34) (see paragraphs 172 and 173 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal.

Question 17

Do you agree with the proposal to revise the definition of supranationals under the MB Rules (see paragraphs 174 and 175 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal.

Question 18

Do you agree with the proposal to require all Public Debt Issuers (except States and supranationals) to publish the English and Chinese versions of their financial statements (see paragraphs 176 to 178 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the rationale behind the proposal.

Question 19

Do you agree with the proposal to replace references to “general meeting” with “meeting of holders of the debt securities” in paragraph 9 of Appendix A2 to the MB Rules (paragraph 9 of Appendix A2 to the GEM Rules) (see paragraphs 179 and 180 of the Consultation Paper)?

Yes

Please give reasons for your reviews.

We agree with the rationale behind the proposal.