

Submitted via Qualtrics

Company / Entity View

Market Represent(s): Securities Market

Question 1

Do you have any comments or concerns on the proposed arrangements for the Hong Kong securities market?

Yes

If the answer is "Yes", please specify your comments or concern:

We support the Exchange's proposal to maintain normal market operations during SW to facilitate continued trading by investors, subject to:

- (i) a clear mechanism for the Exchange to close the market in certain more extreme scenarios (including larger-scale power outage or internet connection issues) which impact on the ability to remote-work (we note that the emergency powers under Rule 572 of the Rules of the Exchange appear to only cover threats to the Exchange's own systems); and
- (ii) any comments from issuers, sponsors, brokers, share registrars and other market participants on time extensions or special arrangements that may be required due to compliance difficulties (e.g. practices that currently require physical attendance or involve parties that do not operate during SW), whether in relation to market trading, settlement, clearing, listings, the banking system or corporate actions. See also our response to questions 4 and 7.

Question 2

Do you have any comments or concerns on the proposed arrangements for Northbound Trading under Stock Connect?

No

If the answer is "Yes", please specify your comments or concern:

N/A

Question 3

Do you have any comments or concerns on the proposed arrangements for Hong Kong derivatives market?

No

If the answer is "Yes", please specify your comments or concern:

N/A

Question 4

Do you have any comments or concerns on the proposed arrangements for new listings and new products?

Yes

If the answer is "Yes", please specify your comments or concern:

For new listings, in addition to the Listing Rules requirements mentioned in paragraph 93 of the consultation paper, we propose specific accommodations will be required for:

1. prospectus publication for listing applicants using Mixed Media Offer. If the SWT Day falls on the prospectus date, there might be disruptions to daily operations, including transportation of printed prospectuses to specified locations to satisfy one of the conditions under the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice. As such, the prospectus publication for listing applicants using Mixed Media Offer would require extension of time or other special arrangements during SW; and
2. administrative arrangements relating to listing committee hearings. Currently, listing committee hearings are conducted in person, requiring physical attendance of representatives of sponsors to present their case and address any questions or concerns from the listing committee, if required. To avoid postponement of listing committee hearings during SW, can the Exchange please confirm the option of virtual listing committee hearings will be available.

Question 5a

Do you have any comments or concerns on the proposed money transfer arrangements in relation to Cheque Clearing?

No

If the answer is "Yes", please specify your comments or concern:

N/A

Question 5b

Do you have any comments or concerns on the proposed money transfer arrangements in relation to Banking Services?

Yes

If the answer is "Yes", please specify your comments or concern:

We would defer to the views of banks and Exchange Participants on the impact arising from the infrastructural changes. We understand higher and more flexible online money transfer limits may be required.

Question 6

Do you agree with the proposed arrangements for listing applicants and listed issuers as set out in paragraphs 90 – 91?

No

If the answer is "No", please specify your comments or concern:

The removal of any current time extension is subject to our comments at questions 1, 4 and 7. We await further details and drafting from the Exchange on the consequential amendments.

Question 7

Do you agree with the proposed arrangements for listing applicants and listed issuers as set out in paragraphs 92 – 94?

Yes

If the answer is "No", please specify your comments or concern:

We agree amendments or accommodations will be required to address practical difficulties in complying with a Listing Rule obligation on a SWT Day, including those noted in paragraph 93 and in our response to question 4 above.

In addition, we note that Rules 14.44(a) and 14A.46(2) both require a shareholders' circular (for transactions to be approved by written shareholders' approval) to be despatched within 15 business days after publication of the announcement. If the despatch date falls on the 15th business day which turns out to be a SWT Day, the issuer will face practical difficulty in complying with the Rule as the postal service may be disrupted or stopped on a SWT Day. We understand that the issuer should normally seek a waiver from the Stock Exchange for an extension of the deadline under Rule 14.44(a) (and 14A.46(2)), in view that it may be practically difficult to seek and obtain a waiver from the Exchange in one day (i.e. on the SWT Day)(bearing in mind that under the general principles, a waiver would not be granted after the 15th business day where the technical breach has already occurred), we invite the Exchange to consider providing in the Listing Rules a default time extension to the deadlines under Rules 14.44(a) and 14A.46(2) in the event that the 15th business day (i.e. the deadline under the relevant Rules) falls on a SWT Day.

Question 8

Do you envisage there being any material practical difficulty in complying with any particular Listing Rule requirements?

Yes

If the answer is "Yes", please specify your comments or concern:

Please see our comments above setting out examples of accommodations that may be required.

Question 9

Do you agree that consequential amendments to the Listing Rules should be made?

Yes

If the answer is "No", please specify your comments or concern:

N/A

Question 10

Under the proposed model, do you foresee any insurmountable difficulties for implementing SWT?

No

If the answer is "Yes", please specify your comments or concern:

N/A

Question 11

Would there be adequate time to prepare for SWT to come effective in July 2024 under the proposed model?

No

If the answer is "No", please specify the reasonable length and reason(s):

This would depend on when the consultation conclusions and detailed drafting are issued. We would suggest the market should be given at least 6 months from the issue of the final rules to allow time for internal policies, operations and procedures to be revised and upgraded and for negotiation / discussion with certain parties e.g. back office employees who may need to attend the office to support remote working and external service providers to ensure continuity of service.

The effective date should also be subject to the implementation of the financial infrastructural changes mentioned in Chapter 3 of the consultation paper to facilitate money transfers during SW.

