

Consultation Conclusions

# Severe Weather Trading of Hong Kong Securities and Derivatives Markets

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# DEFINITIONS

Term	Definition
“AQ”	Active Quotes
“Autocredit”	Autocredit bulk settlement runs
“CCASS”	Central Clearing and Settlement System
“CCCP(s)”	China Connect Clearing Participant(s)
“CCMS”	Common Collateral Management System
“CHATS”	Clearing House Automated Transfer System
“Consultation Paper”	Consultation Paper on Proposal on Severe Weather Trading of Hong Kong Securities and Derivatives Markets published on 30 November 2023
“CP(s)”	Clearing Participant(s) of HKSCC, HKCC and SEOCH (where applicable)
“C(WUMPO)”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)
“CoP”	Code of Practice in Times of Adverse Weather and “Extreme Conditions”
“DCASS”	Derivatives Clearing and Settlement System
“Designated/Settlement Banks”	Designated Banks and Settlement Banks of relevant clearing houses of HKEX
“Designated staff”	Staff who are required to report for duty at workplaces during SW conditions
“EP(s)”	Exchange Participant(s) of SEHK and HKFE (where applicable)
“ETF(s)”	Exchange Traded Funds
“Ex-date”	Ex-entitlement date
“F&O”	Futures and Options
“FAQs”	Frequently Asked Questions
“FINI”	Fast Interface for New Issuance
“First ex-date”	The first of the two Ex-dates prior to the advertised date on which a listed issuer’s transfer books or register of members is to be closed preceding a record date
“FPS”	Faster Payment System

<b>Term</b>	<b>Definition</b>
<b>“GEM Rules”</b>	Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
<b>“GF”</b>	Guarantee Fund
<b>“Government”</b>	The HKSAR Government
<b>“HKCC”</b>	HKFE Clearing Corporation Limited
<b>“HKEX”</b>	Hong Kong Exchanges and Clearing Limited
<b>“HKFE”</b>	Hong Kong Futures Exchange Limited
<b>“HKICL”</b>	Hong Kong Interbank Clearing Limited
<b>“HKMA”</b>	Hong Kong Monetary Authority
<b>“HKSCC”</b>	Hong Kong Securities Clearing Company Limited
<b>“IRD”</b>	Inland Revenue Department
<b>“Listing Committee”</b>	Listing Committee by the Board of The Stock Exchange of Hong Kong Limited
<b>“Listing Rules”</b>	The Main Board Listing Rules and the GEM Rules
<b>“LOP”</b>	Large Open Position
<b>“Main Board Listing Rules” or “MB Rules”</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“MMDH”</b>	Mainland Market Data Hub
<b>“MM/LP(s)”</b>	Market Maker(s) or Liquidity Provider(s)
<b>“Mixed Media Offer”</b>	an offer process whereby an issuer or an offeror of a collective investment scheme can distribute paper application forms for public offers of certain securities without a printed prospectus, so long as the prospectus is available on the HKEX website and the website of the issuer/ offeror and it makes printed prospectus publicly available free of charge upon request at specified locations (which do not have to be the same locations as where the printed application forms are distributed)
<b>“OMD-C”</b>	HKEX Orion Market Data Platform – Securities Market
<b>“OMD-CC”</b>	HKEX Orion Market Data Platform – China Connect (Securities)
<b>“OMD-D”</b>	HKEX Orion Market Data Platform – Derivatives Market
<b>“Participant(s)”</b>	EP(s) and CP(s) are collectively referred to as Participant(s)
<b>“PD(s)”</b>	ETF Participating Dealer(s)
<b>“QR”</b>	Quotes Requests

<b>Term</b>	<b>Definition</b>
<b>“RF”</b>	Reserve Fund
<b>“Second ex-date”</b>	The second of the two Ex-dates prior to the advertised date on which a listed issuer’s transfer books or register of members is to be closed preceding a record date
<b>“SEHK”</b>	The Stock Exchange of Hong Kong Limited
<b>“SEOCH”</b>	The SEHK Options Clearing House Limited
<b>“SFC”</b>	Securities and Futures Commission
<b>“SFO”</b>	Securities and Futures Ordinance (Cap. 571)
<b>“SW”</b>	Severe weather
<b>“SW conditions”</b>	Typhoon Signal No. 8 or above, or Black Rainstorm Warning is issued by the Hong Kong Observatory or Extreme Conditions is announced by the HKSAR Government
<b>“SWIFT”</b>	Society for Worldwide Interbank Financial Telecommunication
<b>“SWT Day”</b>	Severe Weather Trading Day
<b>“SWT Task Force”</b>	Severe Weather Trading Task Force
<b>“SWT”</b>	Severe Weather Trading
<b>“T8”</b>	Typhoon signal No. 8
<b>“USM”</b>	Uncertificated securities market

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# EXECUTIVE SUMMARY

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## Purpose

1. This paper sets out conclusions to the Consultation Paper on the proposals to implement SWT in the Hong Kong securities and derivatives markets and discusses the way forward for SWT implementation.

## Background

2. On 30 November 2023, HKEX published the Consultation Paper, setting out the proposed operational arrangements for SWT and inviting market feedback to the proposals.
3. HKEX has proposed to remove the existing SW arrangements so that trading, clearing and settlement services and operations can continue in both the securities and derivatives markets, and to maintain normal operations to the furthest extent possible, with the support of the Government and with the agreement of the SFC and the HKMA.
4. In consideration of personnel safety, and the operational challenges that market participants may encounter during SW conditions, it was also proposed that all operations would be performed in a fully digital and remote manner to the fullest extent possible.
5. HKEX has sought confirmation from the banking industry that relevant banking services will be available during SW conditions to support trading and clearing. A number of other arrangements were proposed in the Consultation Paper to support the operational needs of the market on SWT Days, though the provision of services via physical outlets has been strongly discouraged.

## Market Feedback

6. The consultation period lasted for eight weeks and ended on 26 January 2024. HKEX received 133 non-duplicate responses to the Consultation Paper from a wide range of stakeholders.
7. Respondents expressed broad support for the implementation of SWT, which will enhance Hong Kong's competitiveness as a best-in-class trading and risk management venue, and a leading international financial centre.
8. Some respondents raised concerns over personnel safety while commuting during SW conditions and sought clarifications on the proposed operational arrangements. The respondents' feedback and HKEX's responses are set out in Chapter 2 of this paper.

## Proposal: Adoption and Implementation

9. Following further consultation with stakeholders, including the Government, the SFC and the HKMA, HKEX will adopt the proposals to maintain normal operations of the Hong Kong's securities and derivatives markets, including Stock Connect Northbound and Southbound trading, under SW conditions. A summary of the SWT operational arrangements is set out in Appendix II of this paper.

10. In view of market feedback on personnel safety and other operational difficulties, HKEX, in consultation with the Government and relevant parties, has recommended to:

- Adopt fully remote digital operations during SWT Days to the furthest extent possible;
- Suggest participants and relevant parties to contemplate and adopt alternative approaches in accordance with the CoP<sup>1</sup> promulgated by the Government if there is still a need to require personnel to report duty to their workplaces during SWT. More details are elaborated in Chapter 3; and
- Provide assistance to qualified Participants for around three months after implementation. The qualified Participants will be exempted from the additional financial cost and disciplinary action even if they fail to fulfil the delivery or payment obligations on a SWT Day, provided that they have applied for the assistance and that the relevant criteria are met. More details are elaborated in Chapter 3.

The SWT arrangements will be implemented on 23 September 2024. HKEX will assist Participants in connecting with vendors and provide technical support. HKEX will also arrange optional testing sessions before the effective date.

11. HKEX would like to take this opportunity to thank those who have shared their comments and views during the consultation process.

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<sup>1</sup> See <https://www.labour.gov.hk/eng/public/wcp/Rainstorm.pdf>.

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# CHAPTER 1: INTRODUCTION

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## Respondent Profile

12. HKEX received a total of 133 responses to the consultation, of which 79 were corporate responses and 54 were individual responses. A full list of respondents to the Consultation Paper is set out in Appendix I, and all responses are available on the HKEX website ([https://www.hkex.com.hk/News/Market-Consultations/2016-to-Present/Responses\\_Jun\\_2024?sc\\_lang=en](https://www.hkex.com.hk/News/Market-Consultations/2016-to-Present/Responses_Jun_2024?sc_lang=en)). A breakdown of the responses by category is set out in Table 1 and 2 below.

Table 1: Corporate respondents by category

Category	Number	%
HKEX Participants Representing the following market (in terms of market share): Hong Kong Securities market Northbound Trading under Stock Connect Derivatives market	55	70% (90%) (>99%) (89%)
Professional body / Industry Associations	18	23%
Market Practitioner	3	4%
Bank / financial institution	3	4%
<b>Total</b>	<b>79</b>	<b>100%</b>

Note: The total may not add up to 100% due to rounding

Table 2: Individual respondents by category

Category	Number	%
Retail Investor	22	41%
HKEX Participant Staff	18	33%
Institutional Investor	6	11%
Listed Company Staff	2	4%
Others	6	11%
<b>Total</b>	<b>54</b>	<b>100%</b>

## Summary of Feedback

13. The majority of responses acknowledged the importance of implementing SWT, for Hong Kong to continue serving as an attractive and competitive financial market and enhance the status as an international financial centre. Some respondents stressed that Hong Kong's markets must maintain operations during SW to align with established international market practices.
14. Some corporate respondents noted that the current arrangements to suspend Hong Kong's trading and clearing services during SW conditions created unnecessary market risks and inconvenience for investors. This is especially true if a SW closure falls on an index rebalancing day, when a significant number of funds would need to make transactions.
15. In addition, SW closures in Hong Kong would lead to the suspension of Stock Connect services. Even if the Mainland A-share market remains open, Mainland investors are not able to trade in the Hong Kong market, whilst Hong Kong and international investors are not able to trade in the A-share market.

16. Participants providing positive feedback to SWT accounted for more than 90% of each of Hong Kong's securities, Stock Connect Northbound and derivatives markets by volume. Within these positive responses, some corporate respondents sought clarifications on various operational arrangements. Some noted the technological challenges in operating remotely and asked for interim arrangements to ensure readiness.
17. Whilst there were more diverse opinions from individual respondents, over 50 per cent of responses in this segment were supportive of the implementation of SWT. This group of individual respondents, which mainly consisted of investors and employees of Participants, mainly expressed concern over personnel safety when commuting to work during SW situations, as well as the availability of banking and other relevant services.
18. HKEX has assessed the feedback and notes that there is broad support from respondents to take forward SWT. HKEX has taken this opportunity to clarify some operational arrangements of the proposed model and address concerns raised in the consultation. Some responses and recommendations are also made to facilitate Participants' operations and personnel safety, and these will be discussed in the following chapters.

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## CHAPTER 2: MARKET FEEDBACK AND RESPONSES

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19. HKEX has consolidated the feedback it received from the Consultation Paper and has provided a summary in this chapter. The majority of respondents provided responses regarding the overall feasibility of implementation. These are categorised as **General Comments**. Comments specific to particular subjects such as the derivatives market, listing applicants and issuers or money transfers are categorised as **Specific Comments to Operational Arrangements**. Comments on other matters, such as the implementation timeline and practical difficulties, are discussed in the last section of this chapter under **Other Comments**.

### GENERAL COMMENTS

#### Comment A1: Personnel and investor safety

20. The majority of respondents, including corporations, associations and individuals, expressed concern that employees may not be able to go back to the office under SWT to support operations, due to human safety, transportation and community infrastructure concerns.

#### Response

21. Personnel and investor safety remains a key priority when developing this initiative. Under SWT, all Participants and related personnel should perform necessary operations in a fully digital and remote manner, with investors using non-physical means to place trade orders and conduct money transfers. Due to personnel and investor safety considerations, the provision of services via physical outlets, such as bank branches and the CCASS Depository counter, will not be available, and the provision of services via other physical outlets are also strongly discouraged. Employers should have a fully remote operations plan in place.
22. HKEX has made continuous enhancements<sup>2</sup> to its infrastructure so that Participants and related personnel can carry out necessary operations and connect to HKEX's systems without physically being in their premises. To support Participants in adopting remote operations during SWT Days, HKEX will provide a list of vendors for Participants' reference in due course. For Participants needing additional time to adopt a full remote work model, special guidance and assistance will be provided (see Chapter 3).

#### Comment A2: Operational feasibility of fully remote working models

23. Under the proposed model, Participants and related personnel are expected to perform necessary duties remotely during SWT. A number of industry associations, Participants and individuals commented that fully remote operations are currently not possible and these respondents expected that a small number of staff would still be required to return to the office. Some industry associations and individuals expressed concerns about insurance coverage and the availability of transportation for staff expected to return to the office. Several firms and associations also expressed concern about difficulties in

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<sup>2</sup> The latest example was the change of authentication arrangement of Central Clearing and Settlement System ("CCASS") terminal access from smartcard to two-factor authentication for their clearing and settlement operations.

getting insurance coverage for staff under SW.

24. Some Participants and one association asked for specific measures or risk management guidelines for Participants to address potential challenges in margin calls, liquidity demands and the settlement process during SWT. These respondents also asked for clarification in relation to the fulfilment of obligations, such as the compliance of Securities and Futures (Client Money) Rules, during SWT Day.
25. One corporate respondent commented that HKEX and the Government should adopt a modernised and fully electronic system for the wider financial system (e.g. paperless processes, scripless securities, the abolition of paper cheques and the electronic stamping of tax documents).

### Response

26. HKEX notes the comments and recommends Participants and related personnel to make reference to practices during the pandemic and plan ahead for SWT and make every attempt to achieve remote operations during SWT Days. Having regard to the past experience of SW conditions, the overall impact on infrastructure provision, such as electricity, internet, etc., have remained stable. Through communications with relevant service providers and efforts to study the best practice being adopted by some Participants, it is noted that adopting a full remote operation is feasible for Participants except for exceptional circumstances such as equipment malfunctioning.
27. While Participants should have fully remote operations plans, it is noted that some firms may need more time to prepare for fully remote operations or may require physical presence of their designated staff as part of their contingency plans. If there is a need for the designated staff to return to office during SW, employers are advised to follow the guidance in Chapter 3. HKEX strongly encourages employers to reach mutual agreed arrangements with employees on the relevant working arrangements prior to SWT implementation, in accordance with the CoP.
28. It is noted from the Insurance Authority that the compulsory employees' compensation insurance (commonly known as labour insurance) will provide indemnity to the insured employers against their legal liability to pay compensation under the Employees' Compensation Ordinance (Cap. 282) ("ECO") for any accident to employees arising out of and in the course of their employment. Subject to the ECO and the relevant terms and conditions of a policy, compulsory labour insurance, motor insurance policies and personal accident insurance policies generally do not exclude specifically the risks during SW conditions.
29. As the definition of a "business day" in the SFO would not be amended for the implementation of SWT as indicated by the SFC, a gale warning day or a Black Rainstorm warning day will continue not to be regarded as a business day for the purposes of the SFO. In order to provide guidance to intermediaries on their regulatory obligations in relation to SWT, the SFC will set out the expected standards for implementation of SWT by way of a circular.
30. It is the common objective of the Government, regulators and HKEX to modernise and fully adopt an electronic securities market. Regarding the implementation of an USM in Hong Kong, HKEX plans to publish relevant details on the operational process under USM, including the arrangements under SWT, later in 2024. Separately, having regard to the needs of different stakeholders, expansion of e-stamping would also be considered. In the longer term, the HKMA will also review the arrangements for physical cheque services to further support the digital transformation of stock trading and

payment services.

#### Comment A3: Fulfilment of obligations under contingency situations

31. A few associations and corporate respondents asked for exemptions in fulfilling obligations during contingency situations like power outages and interruption on network as their staff may fail to carry out usual operations under these situations.

#### Response

32. When Participants cannot fulfil their regulatory obligations or make payments on time while exhausting all reasonable means without risking personnel safety on a SWT Day, the SFC and HKEX will review each case and take appropriate actions on a case-by-case basis under such circumstances.
- For failure to fulfil regulatory obligations, the SFC will consider each case on its own merits and take into account all relevant facts and circumstances in determining the appropriate regulatory approach. The SFC will issue a circular setting out the standards of conduct and internal controls expected of brokers for the implementation of SWT.
  - For late payment to HKEX, if a CP can prove that having exhausted all reasonable means yet failed to make the payment, the clearing houses will consider the facts and circumstances of individual cases before determining if any disciplinary action is warranted.
  - For compliance with the Listing Rules, please refer to paragraph 101 below.

#### Comment A4: Concerns on increased costs to support SWT and market quality

33. Some respondents and associations expressed the view that infrastructure upgrades to support SWT would incur significant costs, and employers may also have to bear increased costs to provide transportation allowances, should their employees need to return to office. One industry association suggested that the Government and HKEX provide financial subsidies.
34. Some corporate respondents and associations commented that turnover and liquidity on a SWT Day is expected to be lower than normal trading days, hence making hedging more difficult than usual. In addition, it may not be worth implementing SWT given that market trading is only impacted by SW a few days per year.
35. Some respondents, including one association, expressed that remote access may introduce latency to applications, which would impact market makers' ability to respond to market conditions. A few respondents asked if there would be a relaxation on MM/LP obligations and suggested reviewing obligations under the rules, such as lifting time constraints.

#### Response

36. Modernising Hong Kong's securities market and enhancing its competitiveness remain an overriding priority. Enabling the operation of the securities and derivatives markets under SW conditions addresses global investors' demand for uninterrupted trading and risk management especially at times of key macroeconomic data release and major index rebalancing events. It is an important step to demonstrate Hong Kong's ongoing

commitment for connectivity with major markets and business around the globe, and adopt international practices. SWT provides greater convenience and price certainty for investors, enhancing Hong Kong's competitiveness and benefiting relevant stakeholders.

37. At the same time, the continuous modernisation of the local financial market infrastructure and the upgrading of operations of the financial services sector support the development of a digitalised securities market in Hong Kong and align with global market practices, providing better services to global investors.
38. On the other hand, the proposed arrangement of remote operation accords personnel safety as an important consideration. Special guidance is provided (see Chapter 3) for those who need time to adopt a fully remote operation model. HKEX will arrange optional testing session for Participants who sees the need to validate their own readiness. In addition, market makers and liquidity providers for applicable securities and derivatives will continue to provide liquidity during SWT, helping to ensure liquidity levels are similar to those of a regular trading day. For the avoidance of doubt, market maker obligations will continue to be applied as normal during a SWT Day.

#### Comment A5: Opt-in participation

39. Two associations enquired whether there would be opt-in choices for brokers (i.e. voluntary participation for SWT). A few respondents asked for a postponement in the settlement timeline on SWT Days.

#### Response

40. Upon the implementation of SWT, Participants would be required to fulfil risk and settlement obligations on a SWT Day. As mentioned in the Consultation Paper, each of HKEX's clearing houses assumes the role of a central counterparty after novation of the original contract between the buyer and seller, in accordance with its rules, and needs to collect mark-to-market and settlement funds from both parties. This arrangement enables them to continue providing a guarantee for the settlement of transactions conducted by the Participants. If a payment obligation is not covered on a SWT Day, additional risk would not only be imposed on HKEX, but also to market participants and the entire Hong Kong market ecosystem.
41. In addition, there is a need for HKEX to comply with a range of local and international regulatory requirements that are in place to ensure a fair and transparent market, maintain market stability and minimise any systemic risks.
42. From the feedback received during the consultation, there were no adverse comments from most respondents on the proposed SWT arrangements. As such, HKEX will not adopt an opt-in model as it may create more confusion, operational and risk burden, and also lead to fairness issues to the investing community.

## **SPECIFIC COMMENTS ON OPERATIONAL ARRANGEMENTS**

### **B: Hong Kong securities market**

#### Comment B1: Treatment of physically delivered forms or forms that involve physical processes

43. A number of corporate respondents and industry associations asked for exemptions on the submission of physical forms (either requirements to physically deliver forms to HKEX or handling of physical forms, such as printing and signing the form with company

stamp). Respondents also asked for time extensions for book entry forms that must be physically delivered to HKEX in the ETF creation and redemption process.

#### Response

44. In general, during SWT Day, if the submission of physical forms is required (including paper-form instruction like Cross-Border Transfer Instruction from CCASS to Foreign Market and stock deposit forms, CCASS forms for listed products on US underlying securities), HKSCC will accept emails with electronic copy attachments of the signed form before the specified deadline followed by the submission of the original copies after the SWT Day.
45. For ETF creation/redemption that only accepts fax authorisation or confirmation, HKEX will accept electronic copies of signed forms via email as a business contingency during SWT. For book-entry authorisation forms that require physical submissions to HKEX in the ETF creation and redemption process, HKEX will accept the original DR/CR forms to be physically delivered on the next normal business day after SWT. Alternatively, PD(s) can enrol for electronic submission of book-entry orders via the CCASS Terminal.

#### Comment B2: Buy-in exemption

46. Several corporate respondents and two associations sought to clarify whether buy-in exemption applies to situations such as failed delivery due to unavailability of physical certificate deposit services or client/custodian bank on a SWT Day. One corporate respondent also suggested introducing a new reason code for failed delivery, waiving the respective charges and remarked that such a scenario should not be counted towards a CP's quota to give more leeway on a SWT Day.

#### Response

47. Buy-in exemption can be applied on contingency grounds. CPs should provide related proof, such as proof of the physical certificate or suspension of clients/custodian system. If CPs are unable to provide the supporting documents on the SWT Day, they can submit the physical documents on the day after a SWT Day, but they must apply for buy-in exemption and communicate with HKSCC via email/phone any issues on a SWT Day. Custodian banks are expected to operate on a SWT Day, however, CPs are advised to engage custodian banks to discuss SWT arrangements. Where the buy-in exemption applied for is based on the grounds of contingency, it would not count towards CP's quota and the related default fee will be refunded.

#### Comment B3: Stamp duty

##### *Documents related to stamp duty – SD-1 / SD-2 / SD-4 forms*

48. A few corporate respondents and one industry association would like to clarify whether the daily stamp duty payment (SD-1) would remain automatically debited on T+2 submission date.
49. The respondents would also like to clarify if there is any time extension for SD-1, SD-4 late/re-submission and SD-2 submission.

#### Response

50. Stamp duty collection procedures will remain the same for payment of stamp duty collected by HKEX. For any chargeable stamp duty not collected by HKEX and paid

directly to the IRD (e.g. transactions that constitutes jobbing business), the time for stamping shall include the next following day (not being a public holiday or a gale warning day, Black Rainstorm warning day, or the day on which Extreme Conditions is announced by the Government) if the T+2 day falls on a SWT Day, whereas the day on which the sale or purchase is effected (T-day) will be excluded in the computation of time for stamping (regardless whether it is a SWT Day).

51. As trading will continue on a SWT Day, Participants are expected to adhere to the timely submission via HKEX's Electronic Communication Platform (ECP) in anticipation of a SWT Day. Regarding late submission of the Form SD-1 beyond the system deadline, Participants should follow the procedure as required in the User Guide of ECP. For late submission of Form SD-4, submission via ECP can be enabled. For Form SD-2, Participants should follow the Operation Procedures for Stamp Duty Collection.

#### *Stamp duty for jobbing business*

52. One corporate respondent would like to clarify whether the IRD office will be open on a SWT Day for submission of paper cheques and contract notes for Form-SD4 (jobbing transactions for option MM's), as there are limitations on making electronic submission and payment via the online system, which prevent some Participants from making the submission and payment online.

#### Response

53. The physical outlets of IRD offices will remain to be closed under SW conditions. As noted in paragraph 50, the time for stamping will be extended for such stamp duty payment to the IRD. The window for submitting electronic forms to HKEX including Form SD-4 will remain the same on a SWT Day.
54. The Stamp Office issued a Stamping Circular in April 2024 (Stamping Circular No. 02/2024) setting out the arrangements for the payment of stamp duty on stock transfer to the Stamp Office during SWT Day.

#### Comment B4: Obligations of Structured Products Issuers

55. Based on the "Industry Principles on Liquidity Provision for Listed Structured Products" issued by HKEX, one corporate respondent would like to clarify whether quote requests will be exempted in the event of an interruption of index compiler services and whether F&O MM/LP will operate during SWT. A few respondents enquired if there will be relaxation on MM/LP obligations.
56. Some corporate respondents and one association also asked for clarification as to whether there would be a relaxation of the requirement for the timely publication of announcements on HKEXnews during SWT.

#### Response

57. In general, index compilers and F&O MM/LP(s) will continue to operate under SWT and this principle will continue to apply during SWT. According to 3.3(h) of the "Industry Principles on Liquidity Provision for Listed Structured Products", where the index level is not calculated or published as scheduled, or there is suspension of or limitation imposed on trading of options or futures contracts relating to the index, AQ and QR will be exempted for any Listed Structured Product that has the index as its underlying. For the avoidance of doubt, the existing practices to AQ/QR requirements will continue to apply during SWT.

58. HKEX can accept signed CCASS forms for listed products on US underlying securities delivered to HKEX offices physically on the day following SWT or submission via HKEX preferred electronic channel. However, there will be no relaxation on the timely publication of announcements on HKEXnews, as the process can be carried out electronically.

Comment B5: ETF creation and redemption

59. Two corporate respondents would like to clarify whether the creation and redemption for ETFs will proceed as normal during a SWT Day, and whether HKEX has consulted relevant market practitioners on the initiative.

Response

60. The creation and redemption for ETF may proceed as normal during a SWT Day and it is subject to the ETF Fund Manager's acceptance of the creation/redemption application on any trading day and its acceptance of extended settlement application on any due date for settlement. ETF Fund managers are advised to communicate with the appointed market practitioners of the fund (i.e. Custodian, Trustee, Share Registrar, and PD(s), etc.) their arrangements on a SWT Day to assess the potential impact on ETF creation and redemption and ensure investors are properly informed of any changes (and the relevant implications) in the ETF creation and redemption process.

Comment B6: Alignment on the date for determining eligibility of entitlement in CCASS and the last registration date for physical certificates under SWT

61. Considering that settlement will continue to occur under SWT and the majority of shares traded on SEHK are settled by electronic credit/debit of CP's stock accounts, one corporate respondent suggested that the date for determining the eligibility of entitlement of securities that have already been deposited into CCASS and the last registration date for physical certificates should also remain aligned; and the last registration date should not be postponed due to SW, in order to avoid complications in fee calculations. The respondent also recommended that HKSCC clearly state the implications of any adjustments made due to the postponement of last registration date so that custodians can evaluate the impact on system capabilities.

Response

62. A considerable proportion of admitted securities are held outside CCASS. Shareholders who hold physical certificates are required to deliver the certificates to share registrars for registration on the day the physical outlets resume operations (i.e. the postponed last registration date) due to the closure of the physical outlets during SWT Day(s). As such, the last registration date should be postponed to give these holders sufficient time to complete registration. HKSCC will notify the relevant CPs regarding any adjustment in entitlements or fees for reconciliation purpose. The process of adjustment in entitlement is similar to adjustments being made currently under different circumstances (e.g. unsuccessful registration of physical certificate).

Comment B7: Corporate actions and modification to the handling of corporate action without ex-entitlement arrangements

*Date for determining the eligibility of entitlement*

63. A few corporate respondents and one association asked HKEX to clarify the impact on

the date for determining eligibility of entitlement as ex-entitlement dates will not change under SWT.

64. An association enquired whether the date for determining eligibility of entitlement would also be postponed, so as to align the eligibility of entitlement for physical certificate holders.
65. Given that trade settlement will continue to occur under SWT, a CP suggested that the date to determine eligibility of entitlement in CCASS for corporate actions without ex-entitlement arrangements should not be postponed but follow the original last registration date due to the potential difficulties to capture entitlements at their end and inform their clients of the change when SW occurs suddenly.

#### Response

66. Considering the feedback and adoptability by CPs, HKSCC will adopt minor modification to the proposed handling of corporate action without ex-entitlement arrangements. HKSCC proposes that the date for determining eligibility of corporate actions in CCASS will remain unchanged on a SWT Day, instead of following the postponed last registration date as originally proposed for corporate action without ex-entitlement arrangements. This means that the date for determining eligibility of corporate actions in CCASS will remain unchanged for all corporate action under SWT.
67. HKSCC will refer to the original last registration date (i.e. the SWT Day) as the date for determining eligibility of corporate actions in CCASS for CPs, even though the last registration date announced by listed issuers will be deferred pursuant to Practice Note 8 to the Main Board Listing Rules to give these holders sufficient time to complete registration.
68. To cater for the potential physical deposit and withdrawal on the postponed last registration date, the relevant entitlements in CCASS will be adjusted accordingly to reflect such deposit and withdrawal with CCASS.

#### *Delisting and spin-off event*

69. For delisting and spin-off events, one corporate respondent asked about the arrangements when the effective date, the date for determining eligibility of entitlement or payment date of such events falls on a SWT Day.

#### Response

70. In CCASS, the effective date of the delisting will be carried out on a SWT Day as scheduled. For spin-offs, the date for determining eligibility of entitlement in CCASS will not be changed, even if the date falls on a SWT Day. To cater for the potential physical deposit and withdrawal on the postponed last registration date, the relevant entitlements in CCASS will be adjusted accordingly to reflect such deposit and withdrawal in CCASS. HKSCC will arrange the distribution of entitlement (the assured entitlement of spin-off event) when SW conditions are cancelled.

#### *Cash dividend*

71. An association noted that the payment date of cash dividends is dependent on issuers' availability to provide good funds to HKSCC, and therefore would like to confirm whether the dividend payment would be distributed on the SWT Day or as soon as practicable when SW conditions is cancelled. They also asked whether HKSCC would notify its

participants of this information on the SWT Day via CCASS broadcast.

72. One corporate respondent suggested exploring measures to promote electronic means for dividend payout in order to avoid postponing the process and to fully establish a SWT Day as a normal business day.

Response

73. HKSCC will notify CPs on the payment status of dividends on the SWT Day by CCASS broadcast messages as soon as practicable. HKEX will explore electronic channels for dividend payments with market stakeholders.

*Update on entitlement due to physical deposit*

74. A corporate respondent sought clarification on how the entitlement will be updated in cases where there is physical deposit on the day after SWT. The respondent also asked whether HKSCC would issue any notice to remind market participants of entitlement changes when the last registration date is postponed to support the physical certificate deposit.

Response

75. The entitlement in respect of the securities deposited into CCASS will be included in the aggregated entitlement of the relevant CPs. HKSCC will notify the relevant CPs regarding adjustment in entitlements or fees via existing CCASS Reports and supplementary advice (if applicable) for reconciliation purposes.

*Physical instructions*

76. For corporate actions that request physical instructions, one corporate respondent would like to clarify whether the submission can be made via electronic means or whether a time extension would be granted.

Response

77. Unless otherwise required by the issuers or relevant rules, all corporate action instruction forms can be submitted to HKSCC via electronic means. In the rare event that physical documents are required, CPs can submit the materials to HKSCC electronically followed by the submission of the original copies after the SWT Day.

**C: Derivatives**

Comment C1: Established Clients

78. A few corporate respondents and one association enquired whether the SFC or HKEX would consider clients who fail to fulfil payment commitments as a failure to fulfil established Client<sup>3</sup> requirements if their fund transfer is interrupted due to SW conditions.

Response

79. During SW, established Clients may be unable to complete fund transfers to the EP

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<sup>3</sup> The definition of established Client carries the same meaning as that in rule 617 in the Rules, Regulations and Procedures of the Futures Exchange.

within the prescribed timeframe to settle outstanding margin calls while exhausting all reasonable means without risking personnel safety (such circumstances may include temporary power outages or the suspension of electronic money transfer channels). HKEX considers it acceptable not to treat the outstanding margin call as an unfulfilled margin call for the purpose of the EP's assessment under Rule 617(b) if the EP confirms that the fund transfer was completed on the day immediately following the SWT Day and an established Client can provide the EP with documentary evidence, as appropriate, demonstrating the following:

- i. The client holds sufficient funds with bank to fulfil its margin obligations; and
- ii. Justification to substantiate the delay in fund transfer.

#### Comment C2: Handling of Official Settlement Prices

80. One corporate respondent asked HKEX to clarify whether the current special handling of Official Settlement Prices for weekly and monthly contracts on the Hang Seng Index, Hang Seng China Enterprises Index and Hang Seng TECH Index will no longer be applicable on a SWT Day.

#### Response

81. HKEX would like to confirm the special handling (i.e. postponement of the expiration date due to SW conditions) will no longer be applicable. The procedures for settling derivatives on a SWT Day would follow that of a normal trading day, except for HIBOR futures contracts<sup>4</sup>. However, HKFE will retain the power to determine the official or final settlement price of contracts in situations where the calculation of these prices would otherwise be impossible, or the prices would be unrepresentative.

#### **D: New products – IPO-related concerns**

82. The majority of the respondents did not see material challenges that would prevent new listings from proceeding as scheduled on a SWT Day.

#### Comment D1: Listing on a SWT Day

83. Some corporate respondents, including two associations, would like to seek clarification as to whether listing would proceed on a SWT Day, as they noted that the closure of share registrars and the CCASS Depository may affect processes such as the depositing of physical certificates into CCASS Depository for distribution on the scheduled listing date. One respondent enquired as to the arrangements of listing ceremonies on a SWT Day.

#### Response

84. Under FINI procedures, contingency arrangements are already in place between share registrars and HKSCC to allow the delivery of the electronic copies of records that reflect securities ownership. Share registrars would not need to deposit physical securities into CCASS Depository on a SWT Day and could do so after a SWT Day. This would mean listing and the first day of trading of new securities should proceed as usual on a SWT Day.

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<sup>4</sup> Should the last trading day of the one-month and three-month futures falls on a SWT Day, the final settlement price will be based on the HIBOR rate on the trading day following SW and the corresponding clearing service will be extended accordingly.

85. While listings will proceed as scheduled on a SWT Day, if SW conditions are in effect at any time prior to 7:30 a.m. on the listing date but such SW conditions are lowered or cancelled at or before 7:30 a.m., the scheduled listing ceremonies will take place at 9:30 a.m. as usual. If such SW conditions are lowered or cancelled after 7:30 a.m., the scheduled listing ceremonies will not take place and will instead be postponed to another business day, as agreed between HKEX and the listing applicant(s). This is to ensure the safety and well-being of attendees. HKEX's Events Management team will maintain prior close contact with the designated contact point of the listing applicant(s) to make alternative arrangements if SW is expected to occur on a listing date.

### **E: Money Transfer**

86. The majority of the Participants and industry associations welcomed the proposed money transfer arrangements in the Consultation Paper to enable SWT. They recognised that the proposals were a good opportunity to promote the use of electronic money transfers in Hong Kong. These respondents also looked forward to more education to the investing public on the use of electronic banking in order to raise awareness prior to the implementation of SWT. Some respondents suggested increasing banks' individual funds transfer limits on electronic money to facilitate large transactions during a SWT Day.
87. HKEX has secured support from the HKMA and the banking industry for the initiative. Subsequent to the publication of the Consultation Paper, on 1 December 2023, HKMA issued a circular to request banks to commence their planning and preparation work to shorten the lead time required for the introduction of SWT. As mentioned in the Consultation Paper, Designated/Settlement Banks have agreed to consider providing flexibility and adjustments of money transfer limits through electronic means to support SWT, as needed, to cater for individual circumstances of each customer request.

### **Comment E1: Cheque clearing**

88. One association and one corporate respondent enquired about the operational arrangements in relation to cheque clearing process and the effect of SW on the handling of bounced cheques, especially in relation to IPO subscription deadlines, and proposed that the setup of dedicated hotline to handle exceptional issues, such as bounced cheques, emergency amendments or cheque cancellations.

### **Response**

89. Given the importance of protecting the safety of staff and customers of financial institutions, bank branches are expected to be closed as is the case now under SW conditions, and banking services will be provided only through electronic channels. No paper cheques will be collected, but cheques collected prior to a SWT Day will continue to be processed as per the normal schedule by the HKICL.
90. In December 2023, HKICL published a technical guideline to facilitate banks' preparation for clearing and settlement arrangements under SW conditions. A technical briefing was held by HKICL with banks in January 2024 to go through the key arrangements and address banks' concerns. As mentioned by HKICL in the technical briefing, banks should clearly communicate with their customers regarding any exception to cheque handling (e.g. bounced cheques) on SWT Days and disclose when the funds will be available. In addition, banks should consider the operational needs and constraints in deciding whether their employees should work onsite or remotely under SW conditions.

If cheque clearing operations cannot be performed remotely, banks should make necessary plans to ensure safe access to the bank's premises by employees under SW conditions.

91. Simulation tests were organised by HKICL to occur between May and June 2024 to ensure operational and technical readiness. Banks should be able to resolve issues related to operational arrangements based on the outcome of these tests.

#### Comment E2: Reliance on e-banking

92. Some respondents, including corporate respondents, associations and individuals, expressed reservations about having all investors switch to e-banking as some may not possess the know-how to use it. They also suggested reviewing banks' individual funds transfer limits to support trading under SWT.
93. Participants also raised concerns as to the difficulties that could occur when full reliance was placed on e-banking during a SWT Day. These difficulties could include the loss, or mishandling of, two-factor authentication tokens, lower bank service quality, variability on the scope of services provided by banks and low take-up of e-cheques.

#### Response

94. It is increasingly common for Participants and the investing public to conduct transactions and funds transfers through electronic channels. Hence, the implementation of SWT will not have significant impact on the majority of the Participants and the investing public.
95. Nevertheless, recognising that some Participants currently make relatively less use of electronic channels to provide their services, the HKMA has requested banks to proactively communicate with their clients and provide appropriate assistance to review relevant funds transfer limits and make necessary adjustments to support SWT. This is in addition to ensuring sufficient resources are available to support trading-related functions (e.g. customer service hotlines and phone banking functions) under SW conditions.
96. Given the availability of electronic banking services, the investing public would be responsible for ensuring they have suitable and sufficient channels to fulfil their payment obligations with brokers.

#### **F: Listing specific comments**

##### Comment F1: Practical difficulties in complying with the Listing Rules on SWT Day

97. Some respondents commented in general terms that there may be practical difficulties in complying with various Listing Rule obligations on a SWT Day due to circumstances outside of the issuer's control. A few of them expressed concerns around the preparation and publication of corporate communications. One respondent commented that SW might affect the certification and registration of securities transfers, and the issuance of letters of regret to unsuccessful applicants in a public offering.

#### Response

98. As a result of the past implementation of HKEX paperless reforms, submissions to

SEHK<sup>5</sup> and corporate communications disseminated by issuers to securities holders<sup>6</sup> must already be made via electronic means and so these should be possible, as usual, on a SWT Day. Therefore, SEHK does not consider that it is necessary to extend the deadline for dispatch of corporate communications.

99. Given the increasingly prevalent use of technology and the remote working capabilities of market participants, SEHK does not expect there will be material difficulties for issuers to meet their Listing Rule obligations on a SWT Day. Issuers should make prior necessary arrangements (e.g. with their external financial printers or other service providers) and utilise electronic means, to ensure that they can meet their Listing Rule obligations.
100. In respect of various tasks specified in paragraph 97, it normally takes a much shorter time than the period prescribed under the Listing Rules to complete them. For certification of transfers, most transfers will occur between CPs' stock accounts in CCASS where no transfer of physical certificates will be required. SEHK therefore expects that SW would not materially impact the issuers' ability to perform the relevant obligations.
101. If an issuer encounters any genuine practical difficulties in complying with the Listing Rules due to extreme and unforeseeable conditions caused by SW, it may seek a waiver from the SEHK that may be granted on a case-by-case basis.

#### Comment F2: Operation of SEHK's Listing Division

102. One professional body asked if SEHK's Listing Division would continue its operations as usual and provide support to issuers on SWT Days.

#### Response

103. SEHK's Listing Division will continue its operations as usual on SWT Days.

#### Comment F3: Consultation on proposed amendments of the Listing Rules

104. One professional body suggested that SEHK should publish another consultation to seek the market's views on the detailed proposed amendments of the Listing Rules.

#### Response

105. The proposed Listing Rule amendments are consequential to the consultation conclusions set out in this paper. Therefore, SEHK does not plan to consult on the Listing Rule changes.
106. SEHK has included a draft of the proposed amendments to the Listing Rules in Appendix IV of this paper. SEHK welcomes any drafting comments on this exposure draft that are consistent with the conclusions of this paper. Any written comments may be submitted by 18 July 2024 by e-mail to [response@hkex.com.hk](mailto:response@hkex.com.hk) (subject line: **Re: Severe Weather**

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<sup>5</sup> MB Rule 2.07 (3A) (GEM Rule 2.21) requires mandatory submission to the Exchange by electronic means unless otherwise stated in the Listing Rules or required by the Exchange.

<sup>6</sup> MB Rule 2.07A(1) (GEM Rule 16.04A(1)) requires mandatory electronic dissemination of corporate communications by listed issuers to the extent permitted under all applicable laws and regulations and the listed issuer's own constitutional documents.

**Trading: Listing Rule Amendments).**<sup>7</sup> SEHK will amend the Listing Rules to incorporate such drafting changes, as necessary, before such rules are implemented.

#### Comment F4: Scheduled meeting or shareholder events on SWT Day

107. One industry association commented that board meetings for approving financial results and declaring dividends, and shareholders' extraordinary general meetings that require independent shareholder voting may not be feasible on a SWT Day. The respondent was concerned that the inability to conduct such meetings as scheduled may lead to trading suspension.

#### Response

108. As stated in the [Guide on General Meetings](#) (paragraph 3.4(g)), listed issuers, particularly those whose general meetings are held in typhoon or heavy rainfall seasons, should set out in their notices of general meeting and/or announcements or circulars the meeting arrangements in case of bad weather. Further, they should issue an announcement if they subsequently anticipate that their general meetings may be affected by bad weather.

109. SEHK does not consider it necessary to change the above requirement. Accordingly, listed issuers would still be able to postpone any physical general meetings for SW in line with current practice.

#### Comments F5: Electronic submission of prospectus documents

110. One association commented that there may be practical difficulties in complying with the Listing Rule requirements with respect to prospectus registration on a SWT Day due to circumstances that are outside of their control, such as services involving the use of professional or certification services.

111. One professional body noted the introduction of a process that enables the submission of prospectus documents to the Companies Registry in electronic form helps the implementation of SWT and commented that it is a positive and timely development.

#### Response

112. As mentioned in [HKEX-GL118-23](#) and section 6.6 of the [Guide of New Listing Applicants](#), prospectus authorisation and registration must be conducted electronically from 1 July 2024, following the implementation of the Exchange's expanded paperless listing regime.<sup>8</sup> This will enable listing applicants to register their prospectuses electronically and remotely on a SWT Day.

113. Listing applicants would, as now, have the option to postpone registration of their prospectus on a SWT Day if they wished to do so (e.g. if their legal counsel or sponsor was not available on a SWT Day). However, the ability to register their prospectus electronically should mean that listing applicants have the option to keep to their listing timetable instead.

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<sup>7</sup> Respondents are reminded that we may publish responses on a named basis on our website. If you do not wish your name to be disclosed to members of the public, please state so when responding to this paper. Our policy on handling personal data is set out in Appendix V to this paper.

<sup>8</sup> See the [Consultation Paper](#) and [Conclusions Paper](#) on Proposals to Expand the Paperless Listing Regime and Other Rule Amendments

114. Where a listing applicant chooses to postpone its prospectus registration, the scheduled starting date of the offer period will be delayed and the applicant must ensure the minimum offer period requirements under the C(WUMP)O are met.<sup>9</sup>
115. SEHK will keep the current requirement that the last day of public offer must be deferred if that day is impacted by SW.<sup>10</sup>

#### Comments F6: Time extension for applicants using Mixed Media Offer

116. In relation to listing applications, one corporate respondent suggested allowing a time extension or special arrangements for listing applicants that adopt a Mixed Media Offer, as a SWT Day may cause disruptions to the listing process.<sup>11</sup>

#### Response

117. A listing applicant must take necessary actions to ensure their offer period is not less than the minimum public offer period prescribed by the C(WUMP)O.
118. Listing applicants that adopt a Mixed Media Offer are required to make physical application forms available from the start of and throughout the public offer period. SW occurring on the first day of the public offer period may delay the scheduled starting date of the offer period of such applicants. In such circumstances, these applicants may have to revise their listing timeline to ensure that their public offer period, as a whole, is not less than the minimum offer period prescribed by C(WUMP)O.
119. If the last day of public offer is impacted by SW, the arrangement described in paragraph 115 will apply equally to listing applicants that have adopted Mixed Media Offer.
120. It is noteworthy that Mixed Media Offers, are, in practice, no longer used. SEHK is considering whether to consult the market on the removal of this process as part of a separate consultation.

#### Comments F7: Attending virtual Listing Committee's hearing

121. One corporate respondent suggested allowing sponsors to attend virtual Listing Committee's hearing to avoid postponement of such hearings in case it falls on a SWT Day.

#### Response

122. SEHK will hold virtual meetings of the Listing Committee if the date of the meeting falls on a SWT Day, to avoid any postponement. Sponsors will be asked to make themselves available to attend such virtual meetings.

### **OTHER COMMENTS**

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<sup>9</sup> Section 44A of C(WUMP)O sets a minimum time period from the issue of a prospectus before the allotment of shares or debentures can be made based on the prospectus. This period must be at least until the beginning of the third day after the day on which the prospectus is issued.

<sup>10</sup> Under section 71 of the Interpretation and General Clauses Ordinance (Cap 1, Hong Kong laws), in computing the time for the purpose of any Ordinance, if the last day of the period is a gale warning day or black rainstorm warning day, the period must include the next following day, not being a public holiday or a gale warning day or black rainstorm warning day.

<sup>11</sup> Example being the transportation of printed prospectuses to specified locations to satisfy one of the conditions set in Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice.

123. Among the responses received, there were several areas that respondents sought clarification regarding SWT arrangements. Please see below for more details:

#### Comment G1: Definition of business days

124. A few respondents expressed confusion on the definition of a “business day” across various ordinances, such as the Companies Ordinance, SFO, Banking Ordinance and Listing Rules, and suggested aligning the definitions.

#### Response

125. There is no intention to change the current definition of “business day” in the relevant ordinances and the Listing Rules as the context and purposes of its application may vary. On the circumstances that the existing application of relevant definitions would be changed after the implementation of SWT, it has been assessed that the impact to relevant parties would not be significant. Relevant parties are expected to observe the relevant ordinances and the Listing Rules and understand the implications under them respectively. As mentioned in paragraph 32, regulator(s) and HKEX will take appropriate actions on a case-by-case basis under such circumstances.

#### Comment G2: Back-up arrangements offered by HKEX on SWT Day

126. One corporate respondent would like to clarify if access to co-location is still available for Participants under SW and whether HKEX would continue offering remote hands services if the firm’s personnel are unable to physically reach the data centre.

127. Another respondent also asked about the availability of a back-up centre for Participants (e.g. HKSCC back up facilities) during SWT, to better prepare their business continuity plan.

#### Response

128. Regarding co-location, HKEX’s TKO Data Centre will still be available for Participants under SW conditions. Participants can visit TKO Data Centre if they have scheduled maintenance work for their data server. Apart from that, HKEX will also continue to offer remote hands services, which are equipment related<sup>12</sup>, to Participants who have reserved for the service, same as normal day arrangement.

129. The availability of back-up centres will follow the existing arrangements<sup>13</sup>. HKCC and SEOCH Participants may request the On-Behalf-Of processing service from HKCC and SEOCH via email to input post-trade adjustment requests into DCASS on their behalf, subject to charges, resources availability at the time of request such service and would be provided on a best effort basis<sup>14</sup>.

#### Comment G3: Insurmountable difficulties

130. Respondents reiterated their comments in previous questions, including their concern

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<sup>12</sup> For the scope of remote hands technical support services, please refer to the [link](#).

<sup>13</sup> CCASS back-up centre arrangement under SWT will follow as-is arrangement as stated in 17.2.2 and 17.3.2 of the HKSCC Operational Procedures. DCASS/CCMS backup centre will be closed during SW. HKATS SOS during after-hours session will be closed during SW. There is no back-up centre for securities market EPs.

<sup>14</sup> as stated in section 1.6 of “Clearing House Procedures for Futures/Options Contracts Traded on the Automated Trading System of the Exchange” and section 17.2 in “Operational Clearing Procedures for Options Trading Exchange Participants of SEOCH”

regarding human safety, insurance, infrastructure, fulfilment of obligations, which has been addressed in other sections of this paper. A few respondents also raised the need for testing before implementation. Some respondents stressed possible failure to fulfil regulatory obligations while exhausting all reasonable means without risking personnel safety.

#### Response

131. As suggested in the Consultation Paper, HKEX will arrange optional testing for Participants before implementation, and is prepared to offer technical assistance to Participants should they have any questions, including but not limited to remote access to HKEX systems. As mentioned in paragraph 32, regulator(s) and HKEX will take appropriate actions on a case-by-case basis under such circumstances.

#### Comment G4: Implementation timeline

132. There was a wide range of responses on the implementation timeline. Some respondents said that they would be ready before July 2024, while some other respondents commented they needed more preparation time to make system acquisitions and upgrades, to review their internal procedures and to plan staff arrangements for a SWT Day.

#### Response

133. HKEX and the regulatory authorities in the SWT Task Force understand that some Participants and other stakeholders may need time to prepare for fully remote operations, such as acquiring remote access tools, refine operational flows and conduct testing. On the other hand, there is an urgency to address investors' needs and align Hong Kong with other major markets, enhancing the attractiveness of Hong Kong's competitiveness. Having carefully considered the responses from different market participants, HKEX will commence SWT on 23 September 2024.
134. Participants are required to declare system and operational readiness before the launch of SWT. Optional testing session will be arranged for Participants who sees the need to validate their own readiness. Details will be announced in due course.

#### Comment G5: Other suggestions to HKEX

135. Some respondents expressed views on other enhancements that HKEX could consider, such as extending trading hours to Saturday and Sunday, lowering stamp duty, increasing product offerings on HKEX platforms (e.g. types of ETF, foreign currencies, and bonds, etc), upgrading its trading system and addressing liquidity and volatility concerns.

#### Response

136. HKEX notes the above comments and stresses its commitment to constantly review its product offerings and infrastructure, for the benefit of the investment public and for Hong Kong's markets. HKEX will also continue to review its trading facilities and policies to further enhance Hong Kong's attractiveness as an international financial centre.

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## CHAPTER 3: CONCLUSIONS AND NEXT STEPS

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137. The responses to the Consultation Paper demonstrated strong support for the implementation of SWT with many noting that the initiative will enhance Hong Kong's status as an international financial centre. On the key concerns and issues raised in the comments received, relevant responses have been provided in Chapter 2.
138. Taking into account relevant considerations, HKEX will proceed to enable its trading and clearing services (i.e. SWT) for the Hong Kong securities and derivatives markets during SW conditions.
139. The SWT arrangements would be applicable to T8 or above, black rainstorm warning signal and "Extreme Conditions" issued by the Government. With reference to international standards and practices on the operation of the securities and derivatives markets, HKEX will assess specific circumstances in consultation with the Government and regulator(s) to decide whether there is an exceptional situation that warrants the markets to remain closed. HKEX will make relevant announcements as required, to provide the market with advanced notice and updates.
140. To ensure smooth adaptation of the SWT arrangements, during the initial implementation period, HKEX will make appropriate announcements before a SWT trading session, on its website and trading systems, to alert Participants and investors. These announcements will state that market trading is normal, with alternative arrangements for certain functions.

### IMPLEMENTATION TIMELINE

141. After reviewing relevant arrangements, and taking into account key considerations such as facilitating investors' needs, aligning with international standards, addressing safety concerns, and the readiness of smaller-scale participants, there will be minor modifications to the implementation model as presented in the Consultation Paper. For ease of reference, please refer to Appendix II for the summary of arrangements after the implementation of SWT.
142. Upon agreement with the SFC, HKEX will in due course publish relevant rule changes in separate circulars, other guidance and FAQs to reflect the detailed arrangements mentioned in the paper and guide stakeholders on individual issues.
143. To prepare for the implementation of SWT, HKEX strongly recommends Participants, relevant parties involved in the processes and the investing public to start preparations as soon as practicable. Participants will be required to declare system and operational readiness before the launch of SWT. Optional testing session will be arranged for Participants who sees the need to validate their own readiness. HKEX will launch SWT on 23 September 2024.

### RECOMMENDED APPROACH

#### Guiding Principles

144. Participants, relevant parties and their service providers should take note of the following

guiding principles when formulating operational arrangements for SWT Days:

- a) Personnel and investor safety is an important consideration;
- b) Only essential services to maintain operations should be provided under SW conditions;
- c) Provision of services via physical outlets are strongly discouraged;
- d) Services should be provided through electronic means as much as possible; and
- e) In accordance with the CoP, only designated staff should be required to report for duty at workplaces under SW conditions in a safe manner, with suitable arrangements made for transportation, accommodation and other logistics.

#### Working under SW conditions

145. For Participants and relevant parties who are not able to adopt a full remote model and their designated staff are required to report duty in their office premises, Participants as employers are reminded to follow the guidelines in the CoP. It is the responsibility of the employers to observe the statutory obligations and the relevant requirements under the Employment Ordinance, the Occupational Safety and Health Ordinance, the Factories and Industrial Undertakings Ordinance, the Employees' Compensation Ordinance and the Minimum Wage Ordinance. Employers are advised to seek legal advice or consult the Labour Department where necessary. Below sets out some general guidance.

#### *T8 or above*

146. In accordance with the CoP, designated staff should report for duty at workplaces in a safe manner according to work arrangements agreed with employers under SW conditions. They should notify their supervisors as soon as possible if they have difficulties in reporting for duty (such as public transport services being affected). To satisfy their operational needs, alternative arrangements should then be made by employers in accordance with the overall arrangements on SWT Days agreed between employers and employees.
147. Some respondents raised that the above may not be able to address their specific circumstances, such as not being able to arrange transportation for designated staff during SW conditions, as well as personnel safety concerns. To address these concerns, employers are recommended to discuss alternative arrangements with the designated staff. Subject to mutual agreement (including variation of the terms of employment contract where necessary), they may invite the designated staff to report for duty at workplaces outside normal working hours when public transportation is still available before T8 is hoisted, so as to enable them to more safely and reliably travel to their workplaces.
148. If SW conditions are still in force by the end of their standard work hours, employees should be released in a safe manner according to work arrangements agreed with employers. A suitable area in their workplace should be made available by employers as temporary shelter after working hours, if required. Some respondents raised that the SW conditions may extend to the next trading session (the same afternoon or the next day) and they may have difficulties in assigning other staff to report duty at their

workplaces<sup>15</sup>. To address such concerns, employers should discuss with the designated staff, and subject to mutual agreement (including variation of the terms of employment contract where necessary), invite the designated staff to stay at the workplace outside normal working hours until T8 is no longer in force.

149. In all circumstances, employers are expected to provide basic support in workplaces to their employees, such as provision of food and water and the necessary accommodation, and to agree on the arrangements during SWT Days with employees ahead of SWT implementation (including calculation of wages, allowances and benefits). Employers are also reminded of their obligations under relevant laws (see paragraph 145 above).

#### *Black Rainstorm Warning Signal or other special situations*

150. In the case of a Black Rainstorm Warning Signal, employers are recommended to communicate with their employees to coordinate the working arrangements in advance. Similar to the case of a typhoon event, if the designated staff are required to report for duty at workplaces, they should commute to the workplace in a safe manner according to work arrangements agreed with employers under SW conditions. They should notify their supervisors as soon as possible if they have difficulties in reporting for duty (such as public transport services being affected). To satisfy their operational needs, alternative arrangements should then be made by employers in accordance with the overall arrangements on SWT Days agreed between employers and employees.

#### *Exceptional situation*

151. Should there be any exceptional situation arising from SW that causes territory-wide disruptions in the provision of infrastructure, road traffic and public transportation, or other factors that will substantively affect operations of the market, HKEX will assess whether such circumstances would constitute to an exceptional situation that warrants the market to remain closed in consultation with the Government and regulator(s).

### **PARTICIPANTS REQUIRING ASSISTANCE**

152. HKEX acknowledges the challenges that some Participants may need additional time in preparation for fully remote operations. Having reviewed the market feedback and sought approval from the regulators, assistance will be provided to Qualified Participants upon application until 31 December 2024. Participants who require assistance shall apply and be approved by HKEX in order to become Qualified Participants. Qualified Participants shall not be a General Clearing Participant (GCP) and the size of business shall not exceed a specified scale. More details will be provided in due course.
153. During the period, Qualified Participants who fail to fulfil the delivery obligations in relation to the settlement of a Physical Delivery Contract in HKCC or the payment obligations as set forth in the rules and procedures of HKSCC, HKCC and SEOCH which failure constitutes an event of default (“delivery/payment obligations”) on a SWT Day will not be subject to additional financial cost or disciplinary action, provided that the Participants will have settled the delivery/payment obligations after the SWT Day. For the avoidance of doubt, such delivery/payment obligations will not include any payment obligations which are ad-hoc or event-driven in nature such as rights issues and IPOs.
154. However, trading restrictions will be imposed on the Qualified Participants (e.g. trading will be restricted to risk reducing trades only) on each SWT Day. HKEX will require

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<sup>15</sup> E.g. Participants who handle trading around the globe, staff may be on roster to be responsible for morning and afternoon sessions / afternoon and night sessions / night and morning sessions

Qualified Participants to sign an undertaking to confirm they will comply with the relevant arrangements. As part of the business-as-usual process, Participants are strongly encouraged to pre-fund their payment obligations to the extent possible. It is considered acceptable for Qualified Participants to adjust the level of other services provided to their clients within the period upon implementation of SWT, provided that these adjustments are clearly communicated by the Participants to their clients clearly in advance.

155. Qualified Participants should take the opportunity during the period to make corresponding coordination and/or arrange necessary system enhancements to become competent to adopt fully remote operations and SWT-ready. Participants should demonstrate such efforts before the end of the period. After 31 December 2024, trading and clearing operations on a SWT Day should proceed as business-as-usual and all Participants are expected to be operationally ready for, among others, fulfilling the payment and/or delivery obligations.
156. HKEX will make separate communications and announcements about the details of the assistance to be provided to Qualified Participants in due course, including the arrangements when Qualified Participants fail to fulfil the EP or CP obligations, the application details and the requirements.

## **SUGGESTED PREPARATIONS**

157. Relevant stakeholders are advised to make preparations to operate under SWT. Some suggestions on the preparations are set out below.

### **Participants and related services providers**

#### *Work arrangements*

- a) Conduct an assessment on what essential services are required and what infrastructure is needed to enable employees to work remotely (e.g. work from home) in order to provide relevant essential services.
- b) Conduct an assessment on whether there is any absolute need for employees to report for duty at workplaces. If so, assess the minimum manpower required (i.e. the designated staff).
- c) Conduct an assessment on arrangements to enable designated staff to report for duty during SW by referencing the alternative approach and provide sustenance for the designated staff, such as arranging for the provision of food and water.
- d) Assess the assignment of the designated staff, having regard to manpower requirements, staff establishment and actual circumstances of individual employees, such as maintaining a regular roster on a rotation basis.
- e) Discuss with employees and obtain their prior consent on work arrangements and any relevant changes to their compensation package, such as having extra allowances and transportation subsidy as well as reaching agreements on calculation of working hours, etc.
- f) Formulate and execute infrastructure upgrades to enable remote work (e.g. work from home) arrangements for all employees, and prepare for work arrangements of the designated staff.

- g) Draw up contingency plans with employees for roster of the designated staff.
- h) Make prior arrangements with property management company to ensure office access for the designated staff under SW.
- i) Make mutually agreed arrangements in advance, to safeguard employees' interest, such as securing employees' consent if a variation of the terms of employment contracts is involved and providing additional insurance protection<sup>16</sup> such as procuring accident insurance for employees to serve as the designated staff where appropriate.
- j) Study and observe the statutory obligations and relevant requirements under the Employment Ordinance, the Occupational Safety and Health Ordinance, the Factories and Industrial Undertakings Ordinance, the Employees' Compensation Ordinance and the Minimum Wage Ordinance, and seek legal advice or consult the Labour Department where necessary.

#### *System or operational capability*

- a) Review operational flow and remote access infrastructure to see if any change or upgrade is necessary to support implementation. If full remote solutions are not available under the current setup, Participants should seek solutions as soon as practicable to prepare for SWT implementation.
- b) Ensure banking services and electronic transfer limits are sufficient to support your operations.
- c) Update Business Continuity Plans to include arrangements under SWT.
- d) Engage service providers and related stakeholders to ensure service continuity during a SWT Day.
- e) Declare system and operational readiness before the launch of SWT and conduct testing to validate readiness when necessary.
- f) Communicate with clients on the scope of services provided on a SWT Day.

#### **Employees of Participants and/or other financial institutions**

- a) Check with employer on their remote access policy and infrastructure, and ensure remote access to company systems and HKEX systems (where necessary) are in place to perform necessary duties before the rollout of SWT.

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<sup>16</sup> Under the Employees' Compensation Ordinance (ECO), no employer shall employ any employee in any employment unless there is in force a policy of employees' compensation insurance to cover the employer's liabilities under the laws (including common law). An accident to an employee resulting in injury or death is deemed to arise out of and in the course of his employment if it happens when Tropical Cyclone Warning Signal No. 8 or above or a Red/Black Rainstorm Warning Signal is in force, or within the period (including any extended period) during which "extreme conditions" exists, while traveling from his place of residence to his place of work by a direct route within a period of four hours before the time of commencement of his working hours for that day, or from his place of work to his place of residence within a period of four hours after the time of cessation of his working hours for that day. The employer would be liable to pay compensation in the above circumstances under ECO.

- b) Familiarise with remote access to company systems and HKEX systems (where necessary)
- c) Discuss SWT work arrangements with employer. The designated staff required to report for duty at workplaces during SW should plan in advance the transportation logistics to the workplace, and consult their supervisors in case of difficulties.

### **Investing public**

- a) Adopt electronic trading and money transfers, and ensure sufficient electronic transfer limits are proportionate to needs. Investors can request their banks to raise the limit if necessary.
- b) Check with their Participants as to the services they provide on a SWT Day.
- c) Familiarise with the electronic trading systems provided by brokers and with electronic fund transfers.

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# APPENDIX I: LIST OF RESPONDENTS

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## **Corporate Respondents - Participants**

- 1 BNP Paribas Securities (Asia) Limited
- 2 Bright Smart Securities International (H.K.) Limited
- 3 China Merchants Securities (HK) Co., Limited
- 4 De Riva Asia Limited
- 5 Eclipse Options
- 6 Hang Seng Securities Limited
- 7 Instinet Pacific Limited
- 8 Sunrise Securities Limited
- 9 Yue Kun Research Limited
- 10 – 55 46 participants that requested anonymity

## **Corporate Respondents - Professional Bodies / Industry Associations**

- 56 Asia Securities Industry & Financial Markets Association
- 57 Futures Industry Association
- 58 Hong Kong Institute of Certified Public Accountants
- 59 Hong Kong Investment Funds Association
- 60 Hong Kong Professionals and Senior Executives Association
- 61 Hong Kong Securities & Futures Professional Association
- 62 Hong Kong Securities Association
- 63 Hong Kong Securities Professionals Association
- 64 Hong Kong Women Professionals & Entrepreneurs Association
- 65 Pan Asia Securities Lending Association Limited
- 66 The Chamber of Hong Kong Listed Companies
- 67 The Hong Kong Association of Banks
- 68 The Hong Kong Chartered Governance Institute
- 69 The Institute of Securities Dealers
- 70 The Law Society of Hong Kong
- 71 – 73 3 associations that requested anonymity

## **Corporate Respondents - Market Practitioner**

- 74 Lo Lau Lawyers
- 75 Slaughter and May
- 76 Simmons & Simmons

## **Corporate Respondents – Financial institution**

- 77 Hang Seng Indexes Company Limited
- 78 – 79 2 financial institutions that requested anonymity

## **Individual:**

- 80 Alton, LAU Suk Tung
- 81 Celly
- 82 Eric Lam
- 83 Henry Fan
- 84 Mui

85 Wong Man Chun

86 李小強

87 – 133 47 individuals who requested anonymity

## APPENDIX II: SUMMARY OF ARRANGEMENTS

		“Business as Usual” or BAU - Trading Day without SW	SW Day <sup>17</sup> (Before SWT)	SWT Day <sup>18</sup> (After SWT)	
<b>A Operational Arrangements in HK Securities Market</b>					
1	Trading	Trading arrangements	Arrangements follow regular trading day	Not available	Same as BAU
		Stamp duty collection (for any chargeable stamp duty which is collected by SEHK)	Arrangements follow regular trading day	Exchange Participant’s (“EP’s”) submission window for Stamp Duty Daily Return (Form SD-1) may be extended	Same as BAU
		Trading of stocks on ex-entitlement date (“ex-date”) due to a corporate action with ex-entitlement arrangement	Previous closing price is adjusted on the scheduled ex-date	As there is no trading under SW, securities will trade ex-entitlement on the next day when trading resumes.	Same as BAU
2	Clearing	Clearing, settlement & collateral management	Arrangements and schedules follow regular trading day and settlement day	Not available	Same as BAU
		Availability of CCASS Depository services	Physical outlets of HKSCC and share registrars are open for services	Physical outlets of HKSCC and share registrars are closed. Deposit and withdrawal of physical securities by CCASS Participants are not available	Same as the arrangement before SWT that physical outlets of HKSCC and share registrars are closed.
		Physical certificate deposit for settlement purpose	CCASS Participants may deposit physical certificates in accordance with HKSCC Operational Procedures	As it is a non-settlement day, CCASS Participants may deposit physical certificates for settlement purpose on the next day after SW	Settlement will continue. HKSCC may grant an exemption from buy-in due to SW  <b>Implication:</b> Relevant CPs should file request for exemption from buy-in
		Determination of the eligibility of corporate	According to the last registration date as scheduled	Last registration date shall be postponed	HKSCC will refer to the original last registration date as the date to

<sup>17</sup> Assume SW lasts for a full day only

<sup>18</sup> Assume SW lasts for a full day only

			<b>“Business as Usual” or BAU - Trading Day without SW</b>	<b>SW Day<sup>17</sup> (Before SWT)</b>	<b>SWT Day<sup>18</sup> (After SWT)</b>
		actions			determine eligibility of corporate actions in CCASS for CCASS Participants.  If CCASS participants can lodge and complete the deposit and withdrawal with CCASS on the postponed last registration date due to closure of physical outlets, the relevant entitlements in CCASS will be adjusted accordingly.
		Order placement and settlement of ETF creation/redemptions	Proceed as scheduled	No order placement. Relevant settlement will be extended to next settlement day	Same as BAU, it is subject to the ETF fund manager’s acceptance on the creation/redemption application on any trading day and their acceptance of extended settlement application on any due date for settlement.
		Cash settlement for Structured Products	Available	Not available	Same as BAU
3	Risk Management	Risk management arrangement such as mark-to-market, margin and Guarantee Fund (“GF”) contributions, collateral policy and default management	Arrangements and schedules follow regular trading day	Not applicable	Same as BAU
4	Market Data	Data dissemination of HKEX Orion Market Data Platform – Securities Market (“OMD-C”), including Mainland Market Data Hub (“MMDH”)	Available for connection with full market data dissemination	Available for connection with limited market data dissemination	Same as BAU
		Real time index	Available	Available	Same as BAU

			<b>“Business as Usual” or BAU - Trading Day without SW</b>	<b>SW Day<sup>17</sup> (Before SWT)</b>	<b>SWT Day<sup>18</sup> (After SWT)</b>
		dissemination			
<b>B Operational Arrangements in Northbound Trading under Stock Connect</b>					
1	Trading	Trading	Arrangements follow regular trading day	Not available	Same as BAU
2	Clearing	Clearing, settlement & collateral management	Arrangement and schedules follow regular trading day and settlement day	Not available	Same as BAU
3	Risk Management	Risk management arrangement such as mark-to-market; margin and Guarantee Fund (“GF”) contributions, collateral policy and default management	Arrangements and schedule follow regular trading day	Not applicable	Same as BAU
4	Market Data	Data dissemination of HKEX Orion Market Data and Platform – China Connect (Securities) (“OMD-CC”)	Available for connection with full market data dissemination	Available for connection with limited market data dissemination	Same as BAU
<b>C Operational Arrangements in HK Derivatives Market</b>					
1	Trading	Trading	Arrangements follow regular trading day	Not available	Same as BAU
		Determination of Final Settlement Price (“FSP”) or Official Settlement Price (“OSP”)	FSP or OSP can be determined on Last Trading Day or Expiry Day	FSP or OSP cannot be determined on Last Trading Day or Expiry Day	Should be same as BAU unless for cases where the underlying parameters for determining FSP or OSP are not available, then a different process may be determined
2	Clearing	Clearing, settlement & collateral management	Arrangements and schedules follow regular trading day and settlement day	Not available <sup>19</sup>	Same as BAU <sup>20</sup>

<sup>19</sup> Some clearing services may be available. For details, please refer to the [link](#).

<sup>20</sup> Except the products which postponed the determination of FSP, the clearing service will be extended accordingly.

			<b>“Business as Usual” or BAU - Trading Day without SW</b>	<b>SW Day<sup>17</sup> (Before SWT)</b>	<b>SWT Day<sup>18</sup> (After SWT)</b>
3	Risk Management	Risk management arrangement such as daily mark-to-market, margin and Reserve Fund (“RF”) contributions, collateral policy and default management	Arrangements and schedules follow regular trading day	Not applicable	Same as BAU
4	Market Data	Data dissemination of HKEX Orion Market Data Platform – Derivatives Market (“OMD-D”)	Available for connection with full market data dissemination	Available for connection with limited market data dissemination	Same as BAU
5	LOP Reporting		To report LOP for open positions that opened or accumulated on previous trading day	No need to report LOP during SW Day. For open positions that opened or accumulated on previous trading day, report LOP on the next trading day after SW	Same as BAU
6	Holiday Trading		Available	Not available	Same as BAU
<b>D Arrangements for New Listings and New Products</b>					
1	New Listings of Equity Securities, Debt Securities and Investment Vehicles <sup>21</sup>		Listing and trading will proceed as usual.	Listing will proceed as usual, but trading will not commence till the market resumes.	Same as BAU
2	Exchange Traded Products		Listing and trading will proceed as usual.	Listing will proceed as usual, but trading will not commence till the market resumes.	Same as BAU
3	Structured Products		Listing and trading will proceed as usual.	Listing will proceed as usual, but trading will not commence till the	Same as BAU

<sup>21</sup> Investment vehicles include authorised collective investment schemes and investment companies listed on the Exchange under Chapters 20 and 21 of the Main Board Listing Rules respectively. Investment vehicles typically include SFC-authorised exchange traded funds, leveraged and inverse products, real estate investment trusts and closed-ended funds.

			<b>“Business as Usual” or BAU - Trading Day without SW</b>	<b>SW Day<sup>17</sup> (Before SWT)</b>	<b>SWT Day<sup>18</sup> (After SWT)</b>
				market resumes.	
4	Futures and Options		Listing and trading will proceed as usual.	Listing will proceed as usual, but trading will not commence till the market resumes.	Same as BAU
<b>E External Arrangements and Infrastructural Changes in Enabling SWT</b>					
1	Cheque Clearing	Paper cheque clearing <sup>22</sup>	<p>Fund of deposited cheques is available on the next working day after the day of deposit.</p> <p>Cheques deposited to banks during the day will be cleared on the same day and settled on the next working day.</p>	<p>No cheques are cleared and settled during full-day SW when bank branches are not open.</p> <p>Fund of cheques deposited on the working day before SW Day is not available on the SW Day due to SW. Fund would be available on the working day after SW (SW Day +1).</p> <p>Cheques deposited to banks during the SW Day will be cleared on the working day after SW (SW Day +1) and settled on the following working day (SW Day +2)</p>	<p>Fund of cheques deposited on the working day before SWT Day will be available on SWT Day.</p> <p>No cheques will be cleared during full-day SW when bank branches are not open.</p> <p>If it is not full-day SW, fund of cheques deposited before hoisting or after lowering of SW will be cleared on the SWT Day and be available on the next working day after the day of deposit (SWT Day +1)</p>
		E-cheque clearing <sup>23</sup>	<p>Fund of e-cheques presented is available on the next working day after the presentment day.</p> <p>e-cheques presented during the day will be cleared on the same day and settled on the next working day.</p>	<p>No e-cheques are cleared and settled during full-day SW when bank branches are not open.</p> <p>Fund of e-cheques presented on the working day before SW Day is not available on the SW Day. Fund would be available on the working day after SW (SW Day</p>	<p>Fund of e-cheques presented on the working day before SWT Day will be available on the SWT Day.</p> <p>e-cheques presented during the SWT Day (regardless it is full-day SW or not) will be cleared on the same day and settled on the next working day (SWT Day +1).</p>

<sup>22</sup> Assuming cheques are deposited before bank’s prescribed cut-off time

<sup>23</sup> Assuming e-cheques are presented before prescribed cut-off time

			<b>“Business as Usual” or BAU - Trading Day without SW</b>	<b>SW Day<sup>17</sup> (Before SWT)</b>	<b>SWT Day<sup>18</sup> (After SWT)</b>
				+1). e-cheques presented during the SW Day will be cleared on the working day after SW (SW Day +1) and settled on the following working day (SW Day +2)	
2	Banking Services for Designated/ Settlement Banks / Custodians	Bank branch and counter services	Open and available	Closed and not available	Closed and not available
		Electronic money transfer channels (SWIFT, CHATS, FPS, Autocredit)	Available	SWIFT, CHATS and FPS are available; Autocredit is not available	Same as BAU
		Electronic money transfer limit	Status quo	Status quo	Banks will review transfer limit and consider adjustments as needed to support on a SWT Day, subject to risk assessment of each Designated/Settlement Bank
		Auxiliary banking services to support trading and clearing activities (e.g. credit facility, time deposit, foreign exchange service)	Available	Available in electronic means subject to availability of such services for each Designated/Settlement Bank	Available in electronic means subject to availability of such services for each Designated/Settlement Bank
		Custodian services by banks	Available	Not available	Same as BAU
3	Interpretation of Ordinances	Interpretation of a business day under Section 155 and 323 of Company Ordinance (Cap. 622)	A business day <sup>24</sup>	Not a business day	A business day

<sup>24</sup> Under Section 155 and 323 of Company Ordinance (Cap. 622), a business day means a day on which a recognised stock market is open for the business of dealing in securities

			<b>“Business as Usual” or BAU - Trading Day without SW</b>	<b>SW Day<sup>17</sup> (Before SWT)</b>	<b>SWT Day<sup>18</sup> (After SWT)</b>
		Interpretation of a business day under Securities and Futures Ordinance (SFO)	A business day <sup>25</sup>	Not a business day	Not a business day (unless Extreme Conditions which is not a gale warning or black rainstorm warning is announced by the Government on that day)
<b>F Implications for listing applicants and listed issuers in the securities market</b>					
1	Interpretation of Listing Rules	Business Day definition of Listing Rules	A business day	Not a business day	A business day  <b>Implication:</b> Automatic extension of time for SW under the existing Listing Rules will no longer be available.

<sup>25</sup> Under the SFO, a business day means a day other than a public holiday, a Saturday and a gale warning day or a black rainstorm warning day as defined in section 71(2) of the Interpretation and General Clauses Ordinance (Cap.1)

## Examples of corporate actions arrangements

For illustration purpose, the below corporate action events assume SW for a full day.

Corporate Action	Event date concerned	If event date falls on SWT Day	
		Prior to implementation of SWT	After implementation of SWT
Cash dividend	Dividend payment date	Cash dividend payment will be postponed.  HKSCC will arrange payment when SW conditions are cancelled in accordance with HKSCC Operational Procedures.	If issuer pays via electronic means: cash dividend will be paid upon receipt of the good funds on the same day  If issuer pays via paper cheques or other nonelectronic means: HKSCC will arrange payment when SW conditions are cancelled in accordance with HKSCC Operational Procedures
Stock dividend / bonus issue	Dividend / bonus issue payment date	Stock dividend / Bonus issue distribution will be postponed.  HKSCC will arrange distribution when SW conditions are cancelled in accordance with HKSCC Operational Procedures.	Same arrangement as prior to implementation of SWT
Election (dividend with scrip and/or currency option)	Deadline for election form return	Deadline will be postponed. HKSCC will extend CCASS deadline in accordance with issuers' arrangement	Same arrangement as prior to implementation of SWT
Subscription – instruction submission (e.g. rights issue, open offer, preferential offer, takeover offer)	Deadline for lodging the instructions	Deadline will be postponed. HKSCC will extend CCASS deadline in accordance with issuers' arrangement	Same arrangement as prior to implementation of SWT
Stock consolidation and splitting	Effective date	Subject to the issuers' arrangement, the effective date may or may not be postponed.  HKSCC may adjust the conversion date in	Stock Consolidation and Splitting will be carried out on SWT Day as scheduled.  HKSCC will arrange the conversion in CCASS

Corporate Action	Event date concerned	If event date falls on SWT Day	
		Prior to implementation of SWT	After implementation of SWT
		CCASS based on the situations.	as scheduled.
Change of board lot	Effective date	<p>Subject to the issuers' arrangement, the effective date may or may not be postponed.</p> <p>HKSCC will arrange the change in board lot in CCASS on the next day when trading resumes.</p>	<p>Change of board lot will be carried out on SWT Day as scheduled.</p> <p>HKSCC will arrange the change in board lot in CCASS on SWT Day.</p>
Transfer of listing – GEM to Main	First day of dealings on Main Board	<p>First day of dealings on Main Board will be postponed.</p> <p>HKSCC will arrange the conversion in CCASS end of day before the original first day of dealing.</p>	<p>First day of dealings on Main Board will be carried out on SWT Day as scheduled.</p> <p>HKSCC will arrange the conversion in CCASS as scheduled.</p>
Voting	Proxy deadline	HKSCC will submit proxy forms to the issuers before the issuer's proxy deadline	Same arrangement as prior to implementation of SWT

Remark: HKSCC's arrangements are in accordance with HKSCC Operational Procedure.

## APPENDIX III: LIST OF DESIGNATED/SETTLEMENT BANKS

#	Name of Banks	HKSCC Designated Bank	HKSCC Settlement Bank	SEOCH Designated Bank	HKCC Settlement Bank	SEOCH Settlement Bank
1	Agricultural Bank of China Ltd	✓				
2	Bangkok Bank Public Co Ltd	✓				
3	Bank of China (Hong Kong) Ltd	✓	✓		✓	✓
4	Bank of Communications Co Ltd	✓				
5	Bank of Communications (Hong Kong) Ltd	✓				
6	BNP Paribas	✓				
7	China CITIC Bank International Ltd	✓				
8	China Construction Bank (Asia) Corporation Ltd	✓				
9	China Construction Bank Corporation	✓				
10	China Merchants Bank Co Ltd	✓				
11	China Minsheng Banking Corp., Ltd.	✓				
12	Chiyu Banking Corporation Ltd	✓				
13	Chong Hing Bank Ltd	✓		✓		
14	Citibank N.A.	✓			✓	✓
15	CMB Wing Lung Bank Ltd	✓				✓
16	Credit Agricole Corporate and Investment Bank	✓				
17	CTBC Bank Co Ltd	✓				
18	Dah Sing Bank Ltd	✓				
19	DBS Bank (Hong Kong) Ltd	✓				
20	DBS Bank Ltd	✓				
21	Deutsche Bank AG	✓				
22	EFG Bank AG	✓				
23	Fubon Bank (Hong Kong) Ltd	✓				
24	Hang Seng Bank Ltd	✓			✓	✓
25	Industrial and Commercial Bank of China (Asia) Ltd	✓	✓			
26	Malayan Banking Berhad	✓				
27	MUFG Bank, Ltd.	✓				
28	Nanyang Commercial Bank Ltd	✓				
29	OCBC Bank (Hong Kong) Ltd	✓	✓		✓	✓
30	Oversea-Chinese Banking Corporation Ltd	✓				
31	Public Bank (Hong Kong) Ltd	✓				
32	Shanghai Commercial Bank Ltd	✓				
33	Shanghai Pudong Development Bank Co., Ltd	✓				
34	Standard Chartered Bank (Hong Kong) Ltd	✓	✓		✓	✓
35	Taishin International Bank Co Ltd	✓				
36	The Bank of East Asia Ltd	✓			✓	✓
37	The Hongkong and Shanghai Banking Corporation Ltd	✓	✓		✓	✓
38	United Overseas Bank Ltd	✓				

Note: As of May 2024. The list is sorted by alphabetical order of the names of banks.

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# APPENDIX IV: EXPOSURE DRAFT OF THE PROPOSED AMENDMENTS TO THE LISTING RULES

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## Schedule A: Amendments to the Main Board Listing Rules

### CHAPTER 1

#### GENERAL

##### INTERPRETATION

...

1.01 Throughout these Rules, the following terms, except where the context otherwise requires, have the following meanings:

...

“authorised representative” a person appointed as an authorised representative by a listed issuer under rule 3.05

“Bad Weather Signal” means a No. 8 typhoon warning signal or above, a black rainstorm warning signal and/or “extreme conditions” as announced by the Hong Kong Government

*Note: According to the “Code of Practice in Times of Adverse Weather and ‘Extreme Conditions’”, the Hong Kong Government may issue an announcement on “extreme conditions” in the case where a Super Typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period. When “extreme conditions” are in force, the Hong Kong Government will review the situation and will announce whether to extend the “extreme conditions” prior to the expiry of the specified period.*

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## CHAPTER 2

### GENERAL

#### INTRODUCTION

...

#### Use of Electronic Means

...

2.07C (4) (a) Announcement or notice must not be published on the Exchange's website:

- between 8:30 a.m. and 12:00 noon and between 12:30 p.m. and 4:30 p.m. on a ~~normal~~ business day; and
- between 8:30 a.m. and 12:30 p.m. on the eves of Christmas, New Year and the Lunar New Year when there is no afternoon session,

...

## CHAPTER 13

### EQUITY SECURITIES

#### CONTINUING OBLIGATIONS

...

#### After board meetings

13.45 ...

(3) ...

*Notes: 1. The timing of board meetings is a matter for the convenience and judgement of individual boards, but decisions on dividends and results should be announced either between 12:00 noon and 12:30 p.m. or after the market closes at 4:30 p.m. on a ~~normal~~ business day. On the eves of Christmas, New Year and the Lunar New Year when there is no afternoon trading session, the announcements should be published after the market closes at 12:30 p.m.. The directors are reminded that it is their direct responsibility to ensure that such information is kept strictly confidential until it is announced.*

...

...

#### Closure of books and record date

13.66 (1) An issuer must announce any closure of its transfer books or register of members in respect of securities listed in Hong Kong at least six business days before the closure for a rights issue, or 10 business days before the closure in other cases. In cases where there is an alteration of book closing dates, the issuer must, at least five business days before the announced closure or the new closure, whichever is earlier, notify the Exchange in writing and make a further announcement. If, however, there are exceptional circumstances (~~e.g. a typhoon~~) that render the giving of the notification to the Exchange and publication of the announcement impossible, the issuer must comply with the requirements as soon as practicable. Where the issuer decides on a record date without book closure, these requirements apply to the record date.

...

*Notes:*

1. *See Practice Note 8 for emergency share registration arrangements during Bad Weather Signals ~~a typhoon and/or a black rainstorm warning~~.*

2. *In addition, for a rights issue, the issuer must provide at least two trading days for trading in the securities with entitlements (i.e. before the ex-dates, as referred to in Practice Note 8) after publication of the book closure. If trading on the Exchange is interrupted ~~due to a typhoon, "extreme conditions" caused by a super typhoon (as defined in the note to paragraph 2 of Practice Note 8) and/or a black rainstorm warning~~, the book-close date will be automatically postponed, where necessary, to provide at least two trading days (during neither of which trading is interrupted) for trading of the securities with entitlements during the notice period. In these circumstances the issuer must publish an announcement on the revised timetable.*

...

## CHAPTER 19A

### EQUITY SECURITIES

#### ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

...

#### Chapter 14 – Notifiable Transactions

19A.38A Rule 14.07(4) is amended by adding the following provisions:

Where the shares of a PRC issuer (other than H shares) are listed on a PRC stock exchange, the market capitalisation of its PRC listed shares is to be determined based on the average closing price of those shares for the 5 ~~business~~-days on which trading is conducted on the relevant PRC stock exchange immediately preceding the transaction.

Where a PRC issuer has issued unlisted shares, the market capitalisation of its unlisted shares is calculated by reference to the average closing price of its H shares for the 5 business days preceding the transaction.

...

# The Stock Exchange of Hong Kong Limited

## Practice Note 6

to the Rules Governing the Listing of Securities  
(the “Exchange Listing Rules”)

Issued pursuant to rule 1.06 of the Exchange Listing Rules

### CERTAINTY OF OFFER PERIODS

—  
...

#### 3. Requirements for Offer Periods

Where details of the offer period are required to be included in a listing document in respect of an issue of equity or debt securities pursuant to the following paragraphs: paragraphs 15(2)(f) of Appendix D1A, 18(1) of Appendix D1B or 17(2) of Appendix D1C, as the case may be, the following shall apply to such details:—

- (1) any right to revise or extend the offer period or period during which the subscription list is open, as stipulated in the listing document, or any right to reopen the subscription list must:—
  - (a) be limited to possible delays caused by a Bad Weather Signal ~~tropical cyclone warning signal~~ or such similar extraneous factors ~~affecting whether the stated closing date is a banking day or not~~, as are acceptable to the Exchange; and

...

Hong Kong, 27 January 1992

Revised on [DATE]

# The Stock Exchange of Hong Kong Limited

## Practice Note 8

to the Rules Governing the Listing of Securities  
(the “Exchange Listing Rules”)

Issued pursuant to rule 1.06 of the Exchange Listing Rules

### ~~INTRODUCTION OF CCASS AND EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING A TYPHOON AND/OR A BLACK RAINSTORM WARNING~~BAD WEATHER SIGNALS

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#### 1. Definitions

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“CCASS” means the ~~Central Clearing and Settlement System established and operated by HKSCC;~~

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#### 2. Introduction

Under the T+2 settlement system, securities trade ex-entitlement for two trading days before the book close date. These two trading days are referred to in this Practice Note as the first ex-date and the second ex-date. Where an issuer decides on a record date without book closure, the record date and the second ex-date will fall on the same day.

~~With the implementation of CCASS the Exchange wishes to maintain the status quo as much as possible with respect to the distribution of shareholder communications by listed issuers. In addition, the Exchange wishes to ensure that investors in securities which have been designated by the HKSCC as eligible for deposit and settlement in CCASS are informed where they may obtain information regarding the effects of CCASS on dealings in those securities on the Exchange. This is to minimise disruptions to the market and to make the transition to CCASS for listed issuers and other market participants as smooth as possible. With the implementation of CCASS, it is also necessary to formalise~~ This Practice Note sets out the emergency share registration arrangements which will apply when a typhoon, “extreme conditions” caused by a super typhoon and/or a black rainstorm warning Bad Weather Signal affects an ex-date or a book-close date. The Exchange Listing Rules and where applicable, the listing agreements specified that where a listed issuer changed its book close date due to exceptional circumstances, such as a typhoon, it needed to notify the Exchange in writing and publish a notice in the newspapers as soon as practicable. With the implementation of the arrangements set out below, a listed issuer will only be required to must notify the Exchange and make a further announcement in accordance with rule 2.07C where a change is made to the dividend payment date and/or the end of the book closure period is extended.

*Note: For the purpose of this paragraph 2, references to “trading day” shall have the same meaning as in the Rules of the Exchange. According to the “Code of*

~~Practice in Times of Typhoons and Rainstorms”, the Hong Kong Government may issue an announcement on “extreme conditions” in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large scale power outage after super typhoons. When “extreme conditions” are in force (i.e. the two-hour period after cancellation of typhoon warning signal no. 8), the Hong Kong Government will review the situation and further advise the public by the end of the two-hour period whether “extreme conditions” will be extended or cancelled.~~

### 3. The Exchange’s New Requirements

(1) ...

~~Note: HKSCC will provide listed issuers with up to date up-to-date lists of Participants.~~

#### (2) **Emergency Share Registration Arrangements During a No. 8 Typhoon Warning Signal or above (“No. 8 signal or above”) or “Extreme Conditions” Caused by a Super Typhoon**

~~Note: For the purposes of this paragraph 3(2) and the Table set out in Appendix A to this Practice Note only:—~~

- ~~(i) references to “normal business hours” in respect of a Sshare Rregistrar means at least 9 am to 4 pm; and~~
- ~~(ii) [Repealed [\*]]references to “trading day” shall have the same meaning as in the Rules of the Exchange.~~
- ~~(iii) references to “last time for accepting shares for registration” are subject to the actual operating hours of the share registrar of an issuer; and~~
- ~~(iv) where an issuer decides on a record date without book closure, the last day for accepting shares for registration is the record date and accordingly the deferment requirements with respect to the second ex-date apply to the record date.~~

~~With the implementation of CCASS the Exchange has switched to a T+2 settlement system under which securities will trade ex entitlement (an “ex date”) for two trading days prior to the advertised date on which a listed issuer’s transfer books or register of members is to be closed (the “book close date”) preceding a record date; the two trading days prior to the book close date being referred to in this Practice Note as the first and second ex-date, respectively.~~

~~In the event of a No. 8 signal or above or “extreme conditions” occurring on the first ex-date, no change will be made in respect of the first ex-date, the last time for accepting shares for registration or the book-close date.~~

~~However, a No. 8 signal or above A typhoon or “extreme conditions” occurring on either of the two second ex-dates may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a typhoon No. 8 signal or~~

above or “extreme conditions” occurring on the second ex-date, the following arrangements will apply:

- (a) Where the No. 8 signal or above is hoisted or remains hoisted, and/or “extreme conditions” are announced or remain in force, between 9 am and 12 noon ~~on either the first or second ex-date and is/are~~ not lowered or cancelled at or before 12 noon ~~on the relevant ex-date~~:—
  - i) the second ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of next business day during normal business hours on such deferred second ex-date for each ex-date affected; and
  - ii) the book-close date shall be automatically postponed to the day following such deferred second ex-date ~~by the number of ex-dates affected~~;
- (b) Where the No. 8 signal or above is hoisted ~~or remains hoisted~~, and/or “extreme conditions” are announced ~~or remain in force~~, between 12 noon and 3 pm ~~on either the first or second ex-date~~:—
  - i) the second ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of next business day during normal business hours on such deferred second ex-date for each ex-date affected; and
  - ii) the book-close date shall be automatically postponed to the day following such deferred second ex-date ~~by the number of ex-dates affected~~;
- (c) ~~[Repealed [\*]]~~ Where the No. 8 signal or above is hoisted between 3 pm and 4 pm ~~on the first ex-date, no changes will be made to the timetable for accepting shares for registration in respect of the reduced business hours on such ex-date~~;
- (d) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm ~~on the second ex-date but~~ lowered or cancelled at or before 9 am on the next business day:—
  - i) the second ex-date shall be deferred to such next business day, and the last time for accepting shares for registration shall be deferred to 12 noon on such deferred second ex-date the next business day; and
  - ii) ~~if the original book close date is not a business day, the book-close date shall be automatically postponed to the next business day following such deferred second ex-date~~;
- (e) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm ~~on the second ex-date but~~

lowered or cancelled after 9 am but at or before 12 noon on the next business day:—

- i) the second ex-date shall be deferred to such next business day, and the last time for accepting shares for registration shall be deferred to 5 pm on such deferred second ex-date the next business day; and
  - ii) if the original book close date is not a business day, the book-close date shall be automatically postponed to the next business day following such deferred second ex-date;
- (f) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm on the second ex-date but not lowered or cancelled until after 12 noon on the next business day:—
- i) the second ex-date shall be deferred to the following business day, and the last time for accepting shares for registration shall be deferred to 12 noon on such deferred second ex-date the following business day; and
  - ii) the book-close date shall be automatically postponed to the day following such deferred second ex-date;
- (g) ~~Where the No. 8 signal is lowered or “extreme conditions” are cancelled at or before 12 noon on the first ex-date, no changes will be made in respect of the time for accepting shares for registration or the book close date in respect of the reduced business hours on such ex-date. On the other hand, w~~Where the No. 8 signal or above is lowered and/or “extreme conditions” are cancelled at or before 12 noon on the second ex-date, the last time for accepting shares for registration shall be deferred to at least 5 pm on the same day but no change will automatically be made to the book-close date;
- (h) In each of the above cases, listed issuers may alter the stated book-closure period in accordance with any delays made to the book-close date so that the length of book-closure period remains the same;
- (i) Listed issuers shall not be required to notify the Exchange or make any announcements with respect to changes made to the second ex-dates or the book-close date in accordance with this Practice Note. All investors and practitioners should be aware of these emergency share registration arrangements as any subsequent announcement given of date changes after a typhoon is not likely to assist them. On the other hand, if the deferrals referred to above affect the dividend payment date or the end of the book-closure period, a listed issuer must notify the Exchange in writing and publish in accordance with rule 2.07C an announcement of the new dividend payment date and any ~~extension~~change in the book-closure period as soon as practicable;

- (j) Where any of the events referred to in sub-paragraphs (a) - (g) above occurs on any deferred second ex-dates or on a postponed book-close date, the same arrangements will apply mutatis mutandis;

...

**(3) Emergency Share Registration Arrangements During a Black Rainstorm Warning**

*Note: For the purposes of this paragraph 3(3) and the Table set out in Appendix B to this Practice Note only:—*

- (i) *references to “normal business hours” in respect of a ~~S~~share ~~R~~registrars means at least 9 am to 4 pm; ~~and~~*
- (ii) *~~[Repealed [\*]]~~ references to “trading day” shall have the same meaning as in the Rules of the Exchange.*
- (iii) references to “last time for accepting shares for registration” are subject to the actual operating hours of the share registrar of an issuer; and
- (iv) where an issuer decides on a record date without book closure, the last day for accepting shares for registration is the record date and accordingly the deferment requirements with respect to the second ex-date apply to the record date.

~~With the implementation of CCASS the Exchange has switched to a T+2 settlement system under which securities will trade ex entitlement (an “ex-date”) for two trading days prior to the advertised date on which a listed issuer’s transfer books or register of members is to be closed (the “book-close date”) preceding a record date; the two trading days prior to the book close date being referred to in this Practice Note as the first and second ex-date respectively.~~

In the event of a black rainstorm warning occurring on the first ex-date, no change will be made in respect of the first ex-date, the last time for accepting shares for registration or the book-close date.

~~However, a~~ A black rainstorm warning occurring on either of the second two ex-dates may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a black rainstorm warning occurring on the second ex-date, the following arrangements will apply:—

- (a) Where a black rainstorm warning is issued before 9 am and remains in effect at 12 noon:—
- i) the second ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of next business day during normal business hours on such deferred second ex-date for each ex-date affected; and

- ii) the book-close date shall be automatically postponed to the day following such deferred second ex-date ~~by the number of ex-dates affected~~;
- (b) Where a black rainstorm warning issued before 9 am is cancelled at or before 12 noon ~~on either the first or second ex-date~~, the last time for accepting shares for registration shall be deferred to 5 pm on the same day but no change will automatically be made to the book-close date;
- (c) Where a black rainstorm warning is issued at or after 9 am, no changes shall ~~will~~ be made in respect of the last time for accepting shares for registration or the book-close date as the share registrar will be open to the public as normal;
- (d) In any of the above cases (if applicable), listed issuers may alter the stated book-closure period in accordance with any delays made to the book-close date so that the length of book-closure period remains the same;
- (e) Listed issuers shall not be required to notify the Exchange or make any announcements with respect to changes made to the second ex-dates or the book-close date in accordance with this Practice Note. All investors and practitioners should be aware of these emergency share registration arrangements as any subsequent announcement given of date changes after a black rainstorm warning is not likely to assist them. On the other hand, if the deferments referred to above affect the dividend payment date or the end of the book-closure period, a listed issuer must notify the Exchange in writing and publish in accordance with rule 2.07C an announcement of the new dividend payment date and any extension change in the book-closure period as soon as practicable~~:-~~;
- (f) Where any of the events referred to in sub-paragraphs (a)—(c) above occurs on any deferred second ~~ex-dates~~ or on a postponed book-close date, the same arrangements will apply mutatis mutandis~~:-~~;

...

Hong Kong, 17th May, 1994

Revised on 8th August, 2000

Revised on 31st March, 2004

Revised on 25th June, 2007

Revised on 1st September, 2008

Revised on 1st January, 2013

Revised on 1~~st~~ October, 2020

Revised on [DATE]

**APPENDIX A TO PRACTICE NOTE 8  
EMERGENCY SHARE REGISTRATION ARRANGEMENTS FOR T+2  
SETTLEMENT SYSTEM DURING A NO. 8 SIGNAL OR ABOVE OR  
“EXTREME CONDITIONS”**

Event	Ex-entitlement Day (Ex-Date)	Issue/cancellation of a typhoon warning-signal or “extreme conditions” on the second ex-date		Second ex-date	Registrar	Book-Close Date	Closed Period For Transfer Books or Register of Members	Announcements Required
		Time	Status					
1	First	9 am - 12 noon	No. 8 Ssignal or above is hoisted or remains hoisted and is not lowered at or before 12 noon; or  “Extreme conditions” are announced or remain in force and are not cancelled at or before 12 noon	<u>Deferred to the next business day</u>	<del>For each ex-date affected defer</del> <u>Deferred to the end of next business day (normal business hours) on such deferred second ex-date</u>	Automatically postponed to the day following such <u>deferred second ex-date</u> by number of <u>ex-dates affected</u>	The book-closure period may be extended in accordance with the delay to the book-close date so that the <u>length of book-closure period</u> remains the same	No announcement required unless:- i) the <u>dividend payment date</u> is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or ii) the <u>end of the book-closure period</u> is <u>deferred</u> , <del>extended</del> , <u>In in</u> both cases the listed issuer must notify the Exchange in writing and publish in accordance with rule 2.07C an announcement of such change as soon as practicable
2(a)	Second							
3	First	12 noon - 3 pm	No. 8 Ssignal or above is hoisted <del>or remains hoisted</del> during this period; or  “Extreme conditions” are announced <del>or remain in force</del> during this period					
4(b)	Second							

Event	Ex-entitlement Day (Ex-Date)	Issue/cancellation of a typhoon warning-signal or "extreme conditions" <u>on the second ex-date</u>		<u>Second ex-date</u>	Registrar	Book-Close Date	Closed Period For Transfer Books or Register of Members	Announcements Required
		Time	Status		<u>Last Time for Accepting Shares for Registration</u>			
5	First	3 pm - 4 pm	No. 8 Signal or above is hoisted		No deferment on first ex-date	No change	No change	No announcement required
6(d)	Second	3 pm - 4 pm	No. 8 Signal or above is hoisted but lowered at or before 9 am on the next business day; or  "Extreme conditions" are announced but cancelled at or before 9 am on the next business day	<u>Deferred to such next business day</u>	<u>Deferred to 12 noon on such deferred second ex-date the next business day</u>	<del>If the original book-close date is a business day - no change. Otherwise postponed to the next business day</del> <u>Automatically postponed to the day following such deferred second ex-date</u>	The book-closure period may be extended in accordance with the delay to the book-close date so that the <u>length of book-closure period</u> remains the same	No announcement required unless:- i) the <u>dividend payment date</u> is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or ii) the <u>end of the book-closure period</u> is <u>deferred, extended,</u> <u>In</u> in which case the listed issuer must notify the Exchange in writing and publish an announcement of such change in accordance with rule 2.07C as soon as practicable
7(e)	Second	3 pm - 4 pm	No. 8 Signal or above is hoisted but lowered after 9 am but at or before 12 noon on the next business day; or  "Extreme conditions" are	<u>Deferred to such next business day</u>	<u>Deferred to 5 pm on such deferred second ex-date the next business day</u>	<del>If the original book-close date is a business day - no change. Otherwise postponed to</del>		

Event	Ex-entitlement Day (Ex-Date)	Issue/cancellation of a typhoon warning-signal or “extreme conditions” <u>on the second ex-date</u>		Second ex-date	Registrar	Book-Close Date	Closed Period For Transfer Books or Register of Members	Announcements Required
		Time	Status		Last Time for Accepting Shares for Registration			
			announced but cancelled after 9 am but at or before 12 noon on the next business day			<del>the next business day</del> <u>Automatically postponed to the day following such deferred second ex-date</u>		
8(f)	Second	3 pm - 4 pm	No. 8 Ssignal or above is hoisted but not lowered until after 12 noon on the next business day; or  “Extreme conditions” are announced but not cancelled until after 12 noon on the next business day	<u>Deferred to the following business day</u>	<u>Deferred to 12 noon on such deferred second ex-date</u> <del>the business day following the next business day</del> ("B day")	<u>Automatically postponed to B-the day following such deferred second ex-date</u>		
9	First	<del>At or before 12 noon</del>	<del>No. 8 Signal is lowered or “extreme conditions” are cancelled</del>	<u>No change</u>	<del>No deferment</del>	No change	No change	No announcement required
10(g)	Second	At or before	No. 8 Ssignal or above is lowered or “extreme		<u>Deferred Extension to 5</u>			

Event	Ex-entitlement Day (Ex-Date)	Issue/cancellation of a typhoon warning-signal or “extreme conditions” <u>on the second ex-date</u>		Registrar	Book-Close Date	Closed Period For Transfer Books or Register of Members	Announcements Required
		Time	Status				
		12 noon	conditions” are cancelled				

N.B.: Where any of the above events happens on a deferred second ex-dates or on a postponed book-close date, the relevant arrangements set out above will apply mutatis mutandis.

**APPENDIX B TO PRACTICE NOTE 8  
EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING A BLACK RAINSTORM WARNING**

Event	Ex-entitlement Day (Ex-Date)	Issue/Cancellation of a Black Rainstorm Warning <del>black rainstorm warning on</del> <u>the second ex-date</u>		<u>Second ex-date</u>	Registrar	Book-Close Date	Closure Period for Transfer Books or Register of Members	Announcements Required
		Time	Status		<u>Last Time for Accepting Shares for Registration</u>			
4 2(a)	First Second	Before 9 am	A <del>Black Rainstorm Warning</del> <u>black rainstorm warning</u> is issued and remains in effect at 12 noon	<del>Deferred to the next business day</del> <u>Deferred to the next business day</u>	<del>For each ex-date affected defer</del> <u>Deferred to the end of next business day (normal business hours) on such deferred second ex-date</u>	<del>Automatically postponed to the day following such deferred second ex-date by number of ex-dates affected</del> <u>Automatically postponed to the day following such deferred second ex-date by number of ex-dates affected</u>	The book-closure period may be extended in accordance with the delay to the book-close date so that the <u>length of book-closure period</u> remains the same	No announcements required unless:- i) the <u>dividend payment date</u> is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or ii) the <u>end of the book-closure period</u> is <del>deferred</del> <u>extended</u> . <del>In</del> <u>in</u> both cases the listed issuer must notify the Exchange in writing and publish in accordance with rule 2.07C an announcement of such change as soon as practicable
3 4(b)	First Second	Before 9 am	A <del>Black Rainstorm Warning</del> <u>black rainstorm warning</u> is issued before 9 am but cancelled at or prior to 12 noon	<del>No change</del> <u>No change</u>	<del>Deferred</del> <u>Extension to 5 pm on the same day</u>	No change	No change	No announcement required

Event	Ex-entitlement Day (Ex-Date)	Issue/Cancellation of a <del>Black Rainstorm Warning</del> <u>black rainstorm warning on the second ex-date</u>		<u>Second ex-date</u>	Registrar	Book-Close Date	Closure Period for Transfer Books or Register of Members	Announcements Required
		Time	Status					
<del>5</del>	First	At or after 9 am	<del>A Black Rainstorm Warning</del>	<u>No change</u>	No change	No change	No change	No announcement required
<u>6(c)</u>	Second		<u>black rainstorm warning is issued at or after 9 am</u>					

N.B.: Where any of the above events happens on a deferred second ex-dates or on a postponed book-close date, the relevant arrangements set out above will apply mutatis mutandis.

# The Stock Exchange of Hong Kong Limited

## PRACTICE NOTE 8A

to the Rules Governing the Listing of Securities  
(the “Exchange Listing Rules”)

Issued pursuant to rule 1.06 of the Exchange Listing Rules

### ARRANGEMENTS FOR NEW APPLICANTS DURING BAD WEATHER SIGNALS

- 
1. This Practice Note sets out the arrangements in relation to dealings with the Exchange regarding a listing document issued in the case of a New Listing that constitutes a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance and related announcements when a ~~No. 8 typhoon warning signal or above, “extreme conditions” caused by a super typhoon and/or a black rainstorm warning signal (collectively, “Bad Weather Signals”)~~ is issued in force during the period from the registration of a prospectus to the commencement of dealing of shares.

Notes:

...

- (2) ~~*[Repealed [\*]]According to the “Code of Practice in Times of Typhoons and Rainstorms”, the Hong Kong Government may issue an announcement on “extreme conditions” in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large scale power outage after super typhoons. When “extreme conditions” are in force (i.e. the two-hour period after cancellation of typhoon warning signal no. 8), the Hong Kong Government will review the situation and further advise the public by the end of the two-hour period whether “extreme conditions” will be extended or cancelled.*~~

...

#### Issue of certificate for registration of prospectus

...

4. ~~*[Repealed [\*]]A new applicant must submit documents under rule 9.11(33) to the Exchange by 11 a.m. on the date of the registration of a prospectus, which is the business day before the P Day (“P-1 Day”) in order to obtain a certificate from the Exchange for prospectus registration with the Companies Registry under the Companies (Winding Up and Miscellaneous Provisions) Ordinance. It is the responsibility of the new applicant to deliver the prospectus and any ancillary documents to the Companies Registry for registration. The new applicant should receive a written confirmation from the Companies Registry of the registration on P-1 Day.*~~

5. If a Bad Weather Signal is issued before 9:00 a.m. and remains in force at 12:00 noon on the intended date of registration of the prospectus (which is the business day before the P Day) (“P-1 Day”), a new applicant may, at its discretion:~~the arrangements with the Exchange are as follows:~~

- (a) postpone its P-1 Day to the next business day after the Bad Weather Signal is lowered or cancelled. The new applicant should promptly notify the Exchange if it decides to postpone its P-1 Day under such circumstances. The Exchange will review the relevant documents and issue the registration certificate on that postponed P-1 Day; or
- (b) proceed with the registration of the prospectus on the P-1 Day and submit the relevant documents required under rule 9.11(33) to the Exchange by 11 a.m.

5A. If a Bad Weather Signal is issued before 9 a.m. but is cancelled at or prior to 12:00 noon on the intended P-1 Day, a new applicant should proceed with the registration of the prospectus as soon as practicable after the Bad Weather Signal is cancelled and the Exchange will review the relevant documents on P-1 Day.

<b>Time when a Bad Weather Signal is issued—</b>	<b>Status of the Bad Weather Signal</b>	<b>Arrangements</b>
<del>Before 9 a.m.</del>	<del>Cancelled at or prior to 12:00 noon</del>	<del>The Exchange will review relevant documents and issue the registration certificate on P-1 Day.</del>
<del>Before 9 a.m.</del>	<del>Remains in force at and after 12:00 noon</del>	<del>The Exchange will review relevant documents on the business day after the Bad Weather Signal is lowered or cancelled, and issue the registration certificate as soon as possible.</del>
<del>At or after 9 a.m.</del>	<del>Business as usual</del>	<del>The Exchange will review relevant documents and issue the registration certificate on P-1 Day.</del>

6. ~~If the new applicant postpones a Bad Weather Signal causes a delay in the registration of a prospectus with the Companies Registry and the actual issue and publication of the prospectus whereby:—~~

- (a) ~~the time between the actual issue and publication of the prospectus and the opening of the subscription lists becomes less than the minimum period as required under section 44A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the “Minimum Period”), the new applicant must revise its listing timetable to ensure compliance with the Minimum Period requirement. The applicant must include such revised timetable in the prospectus and make an announcement of the revised timetable on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the new applicant is not required to amend its prospectus or issue a supplemental prospectus for this purpose; and/or~~

...

### Publication of a prospectus

7. Where a new applicant has adopted a Mixed Media Offer (as referred to in rule 12.11A(1)), any ~~if a~~ Bad Weather Signal is in force at 9:00 a.m. on the scheduled P Day, the may

cause delay in the distribution of paper application forms. Such new applicant must take necessary actions to ensure the offer period is not less than the Minimum Period. If as a result the new applicant amends its listing timetable set out in the prospectus, an announcement in relation to the revised timetable must be made on the business day after the Bad Weather Signal is lowered or cancelled in accordance with rule 2.07C as soon as possible. The announcement is not required to be reviewed by the Exchange, and the new applicant is not required to issue a supplemental prospectus.

#### **Opening or closing of the application lists in a public offer**

8. If a Bad Weather Signal is in force at any time between 9:00 a.m. and 12:00 noon on the scheduled date of the opening of the application lists ("A Day"), the application lists will not be opened on A Day but instead be opened between 11:45 a.m. and 12:00 noon on the next business day when no Bad Weather Signal is in force between 9:00 a.m. and 12:00 noon ("A+1 Day").
9. The new applicant is required to make an announcement on the change of the opening of the application lists as a result of the Bad Weather Signal on A+4 Day, and such announcement is not required to be reviewed by the Exchange.

...

#### **Commencement of dealings in shares**

14. ~~[Repealed [\*]] Dealings of a new applicant's shares will only commence when trading on the Exchange resumes, even if trading is only for half day. The new applicant shall refer to the "Trading Hours & Severe Weather Arrangements" on the Exchange's website for details of the trading arrangement.~~
15. ~~[Repealed [\*]] New applicants are not required to make any announcement on the trading arrangements in the event of a Bad Weather Signal as details of the trading arrangements are published on the Exchange's website.~~

...

Hong Kong, 1 October 2020

Revised on [DATE]

## **Schedule B: Amendments to the GEM Listing Rules**

### **CHAPTER 1**

#### **GENERAL**

##### **INTERPRETATION**

...

1.01 Throughout these Rules, the following terms, except where the context otherwise requires, have the following meanings:

...

“authorised representative” a person appointed as an authorised representative by a listed issuer under rule 5.24

“Bad Weather Signal” means a No. 8 typhoon warning signal or above, a black rainstorm warning signal and/or “extreme conditions” as announced by the Hong Kong Government

*Note: According to the “Code of Practice in Times of Adverse Weather and “Extreme Conditions””, the Hong Kong Government may issue an announcement on “extreme conditions” in the case where a Super Typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period. When “extreme conditions” are in force, the Hong Kong Government will review the situation and will announce whether to extend the “extreme conditions” prior to the expiry of the specified period.*

...

### **CHAPTER 11**

#### **EQUITY SECURITIES**

##### **QUALIFICATION FOR LISTING**

...

**Certainty of offer period in respect of any public offers**

...

11.35 Any right to revise or extend the offer period or period during which the subscription list is open, as stipulated in the listing document, must:—

- (1) be limited to possible delays caused by a Bad Weather Signal ~~tropical cyclone warning signal~~ or such similar extraneous factors ~~affecting whether the stated closing date is a banking day or not~~, as are acceptable to the Exchange; and

...

...

## Chapter 16

### EQUITY SECURITIES

#### PUBLICATION REQUIREMENTS

...

#### Publication on the Exchange's website

...

16.18 ...

- (3) (a) Announcement or notice must not be published on the Exchange's website:
- between 8:30 a.m. and 12:00 noon and between 12:30 p.m. and 4:30 p.m. on a ~~normal~~-business day; and
  - between 8:30 a.m. and 12:30 p.m. on the eves of Christmas, New Year and the Lunar New Year when there is no afternoon session,

...

## CHAPTER 17

### EQUITY SECURITIES

#### CONTINUING OBLIGATIONS

...

#### Trading and Settlement

...

##### *Closure of books and record date*

- 17.78 (1) An issuer must announce any closure of its transfer books or register of members in respect of securities listed in Hong Kong at least six business days before the closure for a rights issue, or 10 business days before the closure in other cases. In cases where there is an alteration of ~~book-closing~~close dates, a further notice shall be given at least five business days before the announced closure or the new closure, whichever is earlier, unless exceptional circumstances render the giving of such notice impossible, in which case, a further notice (by way of an announcement) should be given as soon as practicable, save that no further notice need be given in the circumstances referred to in rules 17.79 to 17.80. Where the issuer decides on a record date without book closure, these requirements apply to the record date.

...

##### *Notes:*

1. *For a rights issue, the issuer must provide at least two trading days for trading in the securities with entitlements (i.e. before the ex-dates, as referred to in rules 17.79 and 17.80) after publication of the book closure. If trading on the Exchange is interrupted due to a typhoon, “extreme conditions” caused by a super typhoon ~~(as defined in note 3 to rule 17.79) and/or a black rainstorm warning~~, the book-close date will be ~~automatically~~ postponed, where necessary, to provide at least two trading days (during neither of which trading is interrupted) for trading of the securities with entitlements during the notice period. In these circumstances the issuer must publish an announcement on the revised timetable.*

...

*Emergency share registration arrangement during a No. 8 typhoon warning signal or above (“No. 8 signal or above”) or “extreme conditions” ~~caused by a super typhoon~~*

- 17.79 Under the T+2 settlement system, securities trade ex-entitlement for two trading

days before the book close date. These two trading days are referred to in this rule and rule 17.80 as the first ex-date and the second ex-date. Where an issuer decides on a record date without book closure, the record date and the second ex-date will fall on the same day. Under the T+2 settlement system, securities trade entitlement (an “ex-date”) for two trading days prior to the advertised date on which a listed issuer’s transfer books or register of members is to be closed (the “book-close date”) preceding a record date; the 2 trading days prior to the book close date being referred to in this rule (and rule 17.80) as the first and second ex-date, respectively. In the event of a No. 8 signal or above or “extreme conditions” occurring on the first ex-date, no change will be made in respect of the first ex-date, the last time for accepting shares for registration or the book-close date. However, a No. 8 signal or above A typhoon or “extreme conditions” occurring on either of the two second ex-dates may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a typhoon No. 8 signal or above or “extreme conditions” occurring on the second ex-date, the following arrangements will apply:—

- (1) Where the No. 8 signal or above is hoisted or remains hoisted, and/or “extreme conditions” are announced or remain in force, between 9 am and 12 noon on either the first or second ex-date and is/are not lowered or cancelled at or before 12 noon on the relevant ex-date:—
  - (a) the second ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of next business day during normal business hours on such deferred second ex-date for each ex-date affected; and
  - (b) the book-close date shall be automatically postponed to the day following such deferred second ex-date by the number of ex-dates affected;
- (2) Where the No. 8 signal or above is hoisted or remains hoisted, and/or “extreme conditions” are announced or remain in force, between 12 noon and 3 pm on either the first or second ex-date:—
  - (a) the second ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of next business day during normal business hours on such deferred second ex-date for each ex-date affected; and
  - (b) the book-close date shall be automatically postponed to the day following such deferred second ex-date by the number of ex-dates affected;
- (3) [Repealed [\*]]Where the No. 8 signal or above is hoisted between 3 pm and 4 pm on the first ex-date, no changes will be made to the timetable for accepting shares for registration in respect of the reduced business hours on such ex-date;

- (4) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm ~~on the second ex-date~~ but lowered or cancelled at or before 9 am on the next business day:—
- (a) the second ex-date shall be deferred to such next business day, and the last time for accepting shares for registration shall be deferred to 12 noon on such deferred second ex-date ~~the next business day~~; and
  - (b) ~~if the original book-close date is not a business day, the book-close date shall be automatically postponed to the next business day~~ following such deferred second ex-date;
- (5) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm ~~on the second ex-date~~ but lowered or cancelled after 9 am but at or before 12 noon on the next business day:—
- (a) the second ex-date shall be deferred to such next business day, and the last time for accepting shares for registration shall be deferred to 5 pm on such deferred second ex-date ~~the next business day~~; and
  - (b) ~~if the original book-close date is not a business day, the book-close date shall be automatically postponed to the next business day~~ following such deferred second ex-date;
- (6) Where the No. 8 signal or above is hoisted, and/or “extreme conditions” are announced, between 3 pm and 4 pm ~~on the second ex-date~~ but not lowered or cancelled until after 12 noon on the next business day:—
- (a) the second ex-date shall be deferred to the following business day, and the last time for accepting shares for registration shall be deferred to 12 noon on such deferred second ex-date ~~the following business day~~; and
  - (b) the book-close date shall be automatically postponed to the day following such deferred second ex-date;
- (7) ~~Where the No. 8 signal is lowered or “extreme conditions” are cancelled at or before 12 noon on the first ex-date, no changes will be made in respect of the time for accepting shares for registration or the book-close date in respect of the reduced business hours on such ex-date. On the other hand, w~~Where the No. 8 signal or above is lowered and/or “extreme conditions” are cancelled at or before 12 noon ~~on the second ex-date~~, the last time for accepting shares for registration shall be deferred to at least 5 pm on the same day but no change will automatically be made to the book-close date;
- (8) In each of the circumstances referred to in sub-paragraphs (1) to (7) above, listed issuers may alter the stated book-closure period in accordance with any delays made to the book-close date so that the length of book-closure period remains the same;

- (9) Listed issuers shall not be required to make any announcements with respect to changes made to the second ex-dates or the book-close date in accordance with this rule. All investors and practitioners should be aware of these emergency share registration arrangements as any subsequent announcement given of date changes after a typhoon is not likely to assist them. On the other hand, if the deferrals referred to above affect the dividend payment date or the end of the book-closure period, a listed issuer must give notice (by way of an announcement) of the new dividend payment date and any change~~extension~~ in the book-closure period as soon as practicable;
- (10) Where any of the circumstances referred to in sub-paragraphs (1) to (7) above occurs on any deferred second ex-dates or on a postponed book-close date, the same arrangements will apply mutatis mutandis;

...

- Notes:
- 1 For clarity, the above proposed—arrangements have been summarised in Table 1 set out at the end of this Chapter.
  - 2 For the purposes of this rule and Table 1 set out at the end of this Chapter:—
    - (a) references to “normal business hours” in respect of a share registrar means at least 9 am to 4 pm;~~and~~
    - (b) ~~[Repealed [\*]]~~references to a “trading day” shall have the same meaning as in the Rules of the Exchange.
    - (c) “Participant” means a person admitted for the time being by HKSCC as a participant;
    - (d) references to “last time for accepting shares for registration” are subject to the actual operating hours of the share registrar of an issuer; and
    - (e) where an issuer decides on a record date without book closure, the last day for accepting shares for registration is the record date and accordingly the deferral requirements with respect to the second ex-date apply to the record date.
  3. ~~[Repealed [\*]]~~According to the “Code of Practice in Times of Typhoons and Rainstorms”, the Hong Kong Government may issue an announcement on “extreme conditions” in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons. When “extreme conditions” are in force (i.e the two-hour period after cancellation of typhoon warning signal no. 8), the Hong Kong Government will review the situation and further advise the public by the end of the two-hour period whether “extreme conditions” will be extended or cancelled.

*Emergency share registration arrangements during a black rainstorm warning*

17.80 In the event of a black rainstorm warning occurring on the first ex-date (as defined in rule 17.79), no change will be made in respect of the first ex-date, the last time for accepting shares for registration or the book-close date (as defined in rule 17.79). However, a ~~A black rainstorm warning occurring on either of the second two ex-dates~~ (as defined in rule 17.79) may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a black rainstorm warning occurring on the second ex-date, the following arrangements will apply:—

- (1) Where a black rainstorm warning is issued before 9 am and remains in effect at 12 noon:—
  - (a) the second ex-date shall be deferred to the next business day, and the last time for accepting shares for registration shall be deferred to the end of next business day during normal business hours on such deferred second ex-date for each ex-date affected; and
  - (b) the book-close date shall be automatically postponed to the day following such deferred second ex-date by the number of ex-dates affected;
- (2) Where a black rainstorm warning issued before 9 am is cancelled at or before 12 noon ~~on either the first or second ex-date~~, the last time for accepting shares for registration shall be deferred to 5 pm on the same day but no change will automatically be made to the book-close date;
- (3) Where a black rainstorm warning is issued at or after 9 am, no changes shall ~~will be~~ made in respect of the last time for accepting shares for registration or the book-close date as the share registrar will be open to the public as normal;
- (4) In each of the circumstances referred to in sub-paragraphs (1) to (3) above, listed issuers may alter the stated book-closure period in accordance with any delays made to the book-close date so that the length of book-closure period remains the same;
- (5) Listed issuers shall not be required to make any announcements with respect to changes made to the second ex-dates or the book-close date in accordance with this rule. All investors and practitioners should be aware of these emergency share registration arrangements as any subsequent announcement given of date changes after a black rainstorm warning is not likely to assist them. On the other hand, if the deferments referred to above affect the dividend payment date or the end of the book-closure period, a listed issuer must give notice (by way of an announcement) of the new dividend payment date and any ~~extension change~~ in the book-closure period as soon as practicable;
- (6) Where any of the circumstances referred to in sub-paragraphs (1) to (3) above occurs on any deferred second ex-dates or on a postponed book-close date, the same arrangements will apply mutatis mutandis;

...

- Notes:
- 1 For clarity, the ~~above proposed~~ arrangements have been summarised in Table 2 set out in the end of this Chapter.
  - 2 For the purposes of this rule and Table 2 set out at the end of this Chapter:—
    - (a) references to “normal business hours” in respect of a share registrar means at least 9 am to 4 pm; ~~and~~
    - (b) ~~[Repealed (\*)]~~ references to a “trading day” shall have the same meaning as in the Rules of the Exchange.
    - (c) “Participant” means a person admitted for the time being by HKSCC as a participant;
    - (d) references to “last time for accepting shares for registration” are subject to the actual operating hours of the share registrar of an issuer; and
    - (e) where an issuer decides on a record date without book closure, the last day for accepting shares for registration is the record date and accordingly the deferment requirements with respect to the second ex-date apply to the record date.

...

**TABLE 1 (CHAPTER 17)**  
**EMERGENCY SHARE REGISTRATION ARRANGEMENTS FOR T+2**  
**SETTLEMENT SYSTEM DURING A NO. 8 SIGNAL OR ABOVE OR “EXTREME CONDITIONS”**

Event	Ex-entitlement Day (Ex-Date)	Issue/cancellation of a typhoon warning-signal or “extreme conditions” <u>on the second ex-date</u>		<u>Second ex-date</u>	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
		Time	Status					
4	First	9 am - 12 noon	No. 8 Ssignal or above is hoisted or remains hoisted and is not lowered at or before 12 noon; or  “Extreme conditions” are announced or remain in force and are not cancelled at or before 12 noon	<u>Deferred to the next business day</u>	<del>For each ex-date affected defer</del> <u>Deferred to the end of next business day (normal business hours) on such deferred second ex-date</u>	Automatically postponed to the day following such <u>deferred second ex-date by number of ex-dates affected</u>	The book-closure period may be extended in accordance with the delay to the book-close date so that the <u>length of book-closure period</u> remains the same	No announcement required unless  (i) the <u>dividend payment date</u> is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or  (ii) the <u>end of the book-closure period</u> is <u>deferred</u> , extended,  <u>In in</u> both cases the listed issuer must
<del>2</del> (1)	Second							
3	First	12 noon - 3 pm	No. 8 Ssignal or above is hoisted <del>or remains hoisted</del> during this period; or  “Extreme conditions” are announced <del>or remain in force</del> during this period	<u>Deferred to the next business day</u>	<del>For each ex-date affected defer</del> <u>Deferred to the end of next business day (normal business hours) on such deferred second ex-date</u>	Automatically postponed to the day following such <u>deferred second ex-date by number of ex-dates affected</u>	The book-closure period may be extended in accordance with the delay to the book-close date so that the <u>length of book-closure period</u> remains the same	No announcement required unless  (i) the <u>dividend payment date</u> is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or  (ii) the <u>end of the book-closure period</u> is <u>deferred</u> , extended,  <u>In in</u> both cases the listed issuer must
4	Second							

Event	Ex-entitlement Day (Ex-Date)	Issue/cancellation of a typhoon warning-signal or "extreme conditions" on the second ex-date		Second ex-date	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
		Time	Status		Last Time for Accepting Shares for Registration			
								publish a notice of such changes as soon as possible.
5	First	3 pm - 4 pm	No. 8 Signal or above is hoisted		No deferment on first ex-date	No change	No change	No announcement required
6(4)	Second	3 pm - 4 pm	No. 8 Ssignal or above is hoisted but lowered at or before 9 am on the next business day; or  "Extreme conditions" are announced but cancelled at or before 9 am on the next business day	<u>Deferred to such next business day</u>	Deferred to 12 noon on <u>such deferred second ex-date</u> the next business day	If the original book-close date is a business day - no change. Otherwise postponed to the next business day <u>Automatically postponed to the day following such deferred second ex-date</u>	The book-closure period may be extended in accordance with the delay to the book-close date so that the <u>length of book-closure period</u> remains the same	No announcement required unless  (i) the <u>dividend</u> payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or  (ii) the <u>end of the book-closure period</u> is <u>deferred, extended,</u>
7(5)	Second	3 pm - 4 pm	No. 8 Ssignal or above is hoisted but lowered	<u>Deferred to such next business day</u>	Deferred to 5 pm on <u>such</u>	If the original book-close		<u>In in</u> -both cases the

Event	Ex-entitlement Day (Ex-Date)	Issue/cancellation of a typhoon warning-signal or “extreme conditions” on the second ex-date		Second ex-date	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
		Time	Status		Last Time for Accepting Shares for Registration			
			after 9 am but at or before 12 noon on the next business day; or  “Extreme conditions” are announced but cancelled after 9 am but at or before 12 noon on the next business day		<del>deferred second ex-date the next business day</del>	<del>date is a business day –no change. Otherwise postponed to the next business day</del> <u>Automatically postponed to the day following such deferred second ex-date</u>		listed issuer must publish a notice of such changes as soon as possible.

Event	Ex-entitlement Day (Ex-Date)	Issue/cancellation of a typhoon warning-signal or “extreme conditions” on the <u>second ex-date</u>		<u>Second ex-date</u>	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
		Time	Status					
8(6)	Second	3 pm - 4 pm	No. 8 Ssignal or above is hoisted but not lowered until after 12 noon on the next business day; or  “Extreme conditions” are announced but not cancelled until after 12 noon on the next business day	<u>Deferred to the following business day</u>	<u>Deferred to 12 noon on such deferred second ex-date the business day following the next business day (“B day”)</u>	Automatically postponed to <u>B the day following such deferred second ex-date</u>		
9	First	At or before 12 noon	<del>No. 8 Signal is lowered or “extreme conditions” are cancelled</del>	<u>No change</u>	<del>No deferment</del>	No change	No change	No announcement required
10(7)	Second	At or before 12 noon	No. 8 Ssignal or above is lowered or “extreme conditions” are cancelled		<u>Deferred Extension to 5 pm on the same day</u>			

**N.B.:** Where any of the above events happens on a deferred second ex-dates or on a postponed book-close date, the relevant arrangements set out above will apply mutatis mutandis.

TABLE 2 (CHAPTER 17)

EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING A BLACK RAINSTORM WARNING

Event	Ex-entitlement Day (Ex-Date)	Issue/Cancellation of a <del>Black Rainstorm Warning</del> <u>black rainstorm warning</u> on the second ex-date		<u>Second ex-date</u>	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
		Time	Status		<u>Last Time for Accepting Shares for Registration</u>			
4 2(1)	First Second	Before 9 am	A <del>Black Rainstorm Warning</del> <u>black rainstorm warning</u> is issued and remains in effect at 12 noon	<del>Deferred to the next business day</del>	For each ex-date affected <del>defer</del> <u>Deferred to the end of next business day (normal business hours) on such deferred second ex-date</u>	Automatically postponed <u>to the day following such deferred second ex-date by number of ex-dates affected</u>	The book-closure period may be extended in accordance with the delay to the book-close date so that the <u>length of book-closure period</u> remains the same	No announcements required unless  (i) the <u>dividend</u> payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer, or  (ii) the <u>end of the book-closure period</u> is <u>deferred</u> <del>extended</del> ,  <u>In in</u> both cases the listed issuer must publish a notice of such changes as soon as possible.
3 4(2)	First Second	Before 9 am	A <del>Black Rainstorm Warning</del> <u>black rainstorm warning</u> is issued before 9 am but cancelled at or prior to 12 noon	<u>No change</u>	<u>Deferred Extension to 5 pm on the same day</u>	No change	No change	No announcement required

Event	Ex-entitlement Day (Ex-Date)	Issue/Cancellation of a <del>Black Rainstorm Warning</del> <u>black rainstorm warning on the second ex-date</u>		<u>Second ex-date</u>	Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
		Time	Status		<u>Last Time for Accepting Shares for Registration</u>			
5	First	At or after 9 am	<del>A Black Rainstorm Warning</del>	<u>No change</u>	No change	No change	No change	No announcement required
<u>6(3)</u>	Second		<u>black rainstorm warning is issued at or after 9 am</u>					

**N.B.:** Where any of the above events happens on a deferred second ex-dates or on a postponed book-close date, the relevant arrangements set out above will apply mutatis mutandis.

## CHAPTER 25

### EQUITY SECURITIES

#### ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

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#### Chapter 19 – Notifiable Transactions

25.34C Rule 19.07(4) is amended by adding the following provisions:

Where the shares of a PRC issuer (other than H shares) are listed on a PRC stock exchange, the market capitalisation of its PRC listed shares is to be determined based on the average closing price of those shares for the 5 ~~business days~~ on which trading is conducted on the relevant PRC stock exchange immediately preceding the transaction.

Where a PRC issuer has issued unlisted shares, the market capitalisation of its unlisted shares is calculated by reference to the average closing price of its H shares for the 5 business days preceding the transaction.

...

# The Stock Exchange of Hong Kong Limited

## Practice Note 7

to the Rules Governing the Listing of Securities on GEM  
of The Stock Exchange of Hong Kong Limited  
(the “GEM Listing Rules”)

Issued pursuant to rule 1.07 of the GEM Listing Rules

### ARRANGEMENTS FOR NEW APPLICANTS DURING BAD WEATHER SIGNALS

1. This Practice Note sets out the arrangements in relation to dealings with the Exchange regarding a listing document issued in the case of a New Listing that constitutes a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance and related announcements when a ~~No. 8 typhoon warning signal or above, “extreme conditions” caused by a super typhoon and/or a black rainstorm warning signal (collectively, “Bad Weather Signals”)~~ is issued in force during the period from the registration of a prospectus to the commencement of dealing of shares.

Notes:

...

- (2) ~~*[Repealed [\*]]According to the “Code of Practice in Times of Typhoons and Rainstorms”, the Hong Kong Government may issue an announcement on “extreme conditions” in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large scale power outage after super typhoons. When “extreme conditions” are in force (i.e. the two-hour period after cancellation of typhoon warning signal no. 8), the Hong Kong Government will review the situation and further advise the public by the end of the two-hour period whether “extreme conditions” will be extended or cancelled.*~~

...

### Issue of certificate for registration of prospectus

...

4. ~~*[Repealed [\*]]A new applicant must submit documents under rule 12.25 to the Exchange by 11 a.m. on the date of the registration of a prospectus, which is the business day before the P Day (“P-1 Day”) in order to obtain a certificate from the Exchange for prospectus registration with the Companies Registry under the Companies (Winding Up and Miscellaneous Provisions) Ordinance. It is the responsibility of the new applicant to deliver the prospectus and any ancillary documents to the Companies Registry for registration. The new applicant should receive a written confirmation from the Companies Registry of the registration on P-1 Day.*~~
5. If a Bad Weather Signal is issued before 9:00 a.m. and remains in force at 12:00 noon on the intended date of registration of the prospectus (which is the business

day before the P Day) (“P-1 Day”), a new applicant may, at its discretion: the arrangements with the Exchange are as follows:

- (a) postpone its P-1 Day to the next business day after the Bad Weather Signal is lowered or cancelled. The new applicant should promptly notify the Exchange if it decides to postpone its P-1 Day under such circumstances. The Exchange will review the relevant documents and issue the registration certificate on that postponed P-1 Day; or
- (b) proceed with the registration of the prospectus on the P-1 Day and submit the relevant documents required under rule 12.25 to the Exchange by 11 a.m. .

5A. If a Bad Weather Signal is issued before 9 a.m. but is cancelled at or prior to 12:00 noon on the intended P-1 Day, a new applicant should proceed with the registration of the prospectus as soon as practicable after the Bad Weather Signal is cancelled and the Exchange will review the relevant documents on P-1 Day.

<b>Time when a Bad Weather Signal is issued—</b>	<b>Status of the Bad Weather Signal</b>	<b>Arrangements</b>
Before 9 a.m.	Cancelled at or prior to 12:00 noon	The Exchange will review relevant documents and issue the registration certificate on P-1 Day.
Before 9 a.m.	Remains in force at and after 12:00 noon	The Exchange will review relevant documents on the business day after the Bad Weather Signal is lowered or cancelled, and issue the registration certificate as soon as possible.
At or after 9 a.m.	Business as usual	The Exchange will review relevant documents and issue the registration certificate on P-1 Day.

6. If the new applicant postpones a Bad Weather Signal causes a delay in the registration of a prospectus with the Companies Registry and the actual issue and publication of the prospectus whereby:—

- (a) the time between the actual issue and publication of the prospectus and the opening of the subscription lists becomes less than the minimum period as required under section 44A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the “Minimum Period”), the new applicant must revise its listing timetable to ensure compliance with the Minimum Period requirement. The applicant must include such revised timetable in the prospectus and make an announcement of the revised timetable on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the new applicant is not required to amend its prospectus or issue a supplemental prospectus for this purpose; and/or

...

### **Publication of a prospectus**

7. Where a new applicant has adopted a Mixed Media Offer (as referred to in rule 16.04D(1)), any If a Bad Weather Signal is in force at 9:00 a.m. on the scheduled P

Day, ~~the~~ may cause delay in the distribution of paper application forms. Such new applicant must take necessary actions to ensure the offer period is not less than the Minimum Period. If as a result ~~the~~ new applicant amends its listing timetable set out in the prospectus, an announcement in relation to the revised timetable must be ~~made on the business day after the Bad Weather Signal is lowered or cancelled in~~ accordance with rules 16.17 to 16.19 as soon as possible. The announcement is not required to be reviewed by the Exchange, and the new applicant is not required to issue a supplemental prospectus.

#### **Opening or closing of the application lists in a public offer**

8. If a Bad Weather Signal is in force at any time between 9:00 a.m. and 12:00 noon on the scheduled date of the opening of the application lists (“A Day”), the application lists will not be opened on A Day but instead be opened between 11:45 a.m. and 12:00 noon on the next business day when no Bad Weather Signal is in force between 9:00 a.m. and 12:00 noon (“A+1 Day”).
9. The new applicant is required to make an announcement on the change of the opening of the application lists as a result of the Bad Weather Signal on A+4 Day, and such announcement is not required to be reviewed by the Exchange.

...

#### **Commencement of dealings in shares**

14. ~~[Repealed [\*]] Dealings of a new applicant’s shares will only commence when trading on the Exchange resumes, even if trading is only for half day. The new applicant shall refer to the “Trading Hours & Severe Weather Arrangements” on the Exchange’s website for details of the trading arrangement.~~
15. ~~[Repealed [\*]] New applicants are not required to make any announcement on the trading arrangements in the event of a Bad Weather Signal as details of the trading arrangements are published on the Exchange’s website.~~

...

Hong Kong, 1 October 2020

Revised on [DATE]

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## APPENDIX V: PRIVACY NOTICE

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Hong Kong Exchanges and Clearing Limited and its affiliated companies (together "HKEX", "we", "our" or "us") are committed to protecting all Personal Data under our custody, control, or possession. "Personal Data" is any information that relates to an identifiable individual or can be used to identify an individual – sometimes the individual is referred to as a "Data Subject" or consumer.

This privacy notice ("Notice") applies to the Personal Data we collect and further process from Data Subjects who respond to our public consultation papers.

If the correct Personal Data is not submitted to HKEX then we may not be able to ensure the correct details are published or contact respondents if we have queries about their comments and/or, we may be unable to process requests relating to their rights as Data Subjects under the applicable data protection laws.

### What Personal Data do we collect and how do we collect it?

#### Information directly submitted by or collected from you:

- Identity data such as name and position in a company;
- Contact data such as phone number and email address;
- Opinion data such as your response to the consultation paper; and
- Communications data such as subsequent correspondence with you to clarify your comments or to confirm your identity data.

#### For Data Subjects in Mainland China:

- to verify your identity, we may process your name, position, phone number, and email address;
- to communicate with you, we may process your name, position, phone number, and email address;
- to register your response in our records or change your response upon your request, we may process your name, position, answers and reasons for those answers; and
- to prepare our publication material, we may process and publish your name and position (where your consent has been provided), and your answers and reasons for those answers.

#### For Data Subjects who are California residents:

To the extent the California Privacy Rights Act applies, the types of Personal Data we collect (and have collected in the past 12 months) includes the categories listed below, as defined by California state law:

Category	Source	Purpose of Processing
Personal identifiers such as your name and email address	Collected directly from you	For verification of identity, clarification of comments, record keeping and/or publication
Information About You including your name, position, and telephone number		

## Why do we use the Personal Data and how do we use it?

The “**Legal Basis**” is what data protection laws set out as the lawful reasons for processing Personal Data, such as a legitimate interest to operate our business so long as it does not materially and adversely impact your interests, rights, and freedoms.

<b>Legal Basis</b>	<b>Purpose</b>
Legitimate Interests	<ul style="list-style-type: none"> <li>Opinion data as part of the consultation process to understand the market/public response to the proposal(s) set out in the consultation;</li> <li>Identity and contact data to verify and clarify responses;</li> <li>Identity data where consent has been provided for external publication;</li> </ul>
Public Interest	<ul style="list-style-type: none"> <li>We may also process your personal data on the basis that it is necessary for the performance by HKEX of a task in the public interest.</li> </ul>
Consent	<p><u>Separate consent</u></p> <ul style="list-style-type: none"> <li>Required if you are a Data Subject in Mainland China and we need to share your Personal Data with a third party, publicly disclose it, or transfer it outside Mainland China.</li> </ul>
Legal Regulatory Obligations or	<ul style="list-style-type: none"> <li>Discharge the functions of HKEX and any company of which HKEX is the recognised exchange controller;</li> <li>Comply with a court order, subpoena or other legal process;</li> <li>Comply with a request by a government authority, law enforcement agency or similar body; and</li> <li>Comply with laws applicable to us including domestic data protection laws.</li> </ul>

## Do we disclose Personal Data to third parties or transfer it to another jurisdiction?

HKEX discloses Personal Data to one or more third party organisations that enable us to process public consultation papers and these include:

- Affiliates of Hong Kong Exchanges and Clearing;
- Our contractors or vendors who provide telecommunications, IT security, or other technical assistance;
- Our vendors who facilitate the availability of online forms;
- Our vendors who provide strategy or other consultancy services in respect of our businesses; and
- Our agents, contractors or vendors who provide administrative support to us.

To fulfil our legal obligations, we may also share your Personal Data with courts, regulatory authorities, government and law enforcement agencies, and other public authorities.

Further details about these third parties may be provided upon request to the address in the “Contact Us” section below. We shall endeavour to provide such information to the extent we are required to do so under applicable data protection laws.

Where required under applicable data protection laws, HKEX will only disclose Personal Data to third parties with your prior consent. In certain jurisdictions, HKEX may also be required to take additional measures prior to giving effect to such transfers (e.g. carrying out privacy impact assessments prior to the transfer).

HKEX may process Personal Data outside of the Data Subject’s home jurisdiction, including sharing the Personal Data with third parties. HKEX shall use reasonable endeavours to ensure that the laws and regulations of the destination jurisdiction shall offer the same or comparable level of protection for Personal Data. Where this is not the case, we shall ensure appropriate safeguards are in place at the time of the transfer by implementing standard contractual clauses or other data transfer mechanism approved by the authorities of the relevant jurisdiction. Where required under applicable data protection laws, we shall also carry out additional measures for the offshore transfer such as carrying out a privacy impact assessment.

The regions where the Personal Data may be hosted or transferred to will vary from time to time, but typically include Hong Kong, the UK, US, EU, Switzerland, Singapore, Japan, India, and Mainland China.

Further details on the processing locations and our measures for safeguarding international transfers (including adequacy decisions) may be obtained upon request to the address in the “Contact Us” section below.

#### **How long do we keep the Personal Data?**

Personal Data is retained in accordance with our internal policies, including our Group Record Retention Policy, and applicable law.

Your Personal Data will be retained by us for as long as is necessary to fulfil the purposes required for the processing. HKEX will also refer to the following factors when determining or confirming the appropriate retention period of Personal Data:

- the original purpose of collection;
- the termination of any contract involving the Data Subject’s Personal Data;
- the limitation period as defined in the applicable law;
- the existence of any legal or regulatory investigations or legal proceedings;
- specific laws or regulations setting out HKEX’s functions, obligations, and responsibilities;
- retention period set out in non-statutory guidelines issued by our regulators or international bodies; and
- the sensitivity of the Personal Data and the degree of risk from the associated processing activity.

For Data Subjects in Mainland China, we usually retain the Personal Data for not more than 3 years from the last activity or interaction with us. Further details of our Personal Data retention period may be obtained upon request to the address in the “Contact Us” section below.

Where any Personal Data is no longer necessary for the purposes for which it is collected, we shall cease the processing of that Personal Data as soon as reasonably practicable (although copies may be retained as necessary for archival purposes, for use in any actual or potential dispute, or for compliance with applicable laws), and take reasonable measures to destroy the relevant Personal Data.

## How do we keep your Personal Data secure?

We will take all practicable and reasonable steps to promote the security of the Personal Data we process in a manner consistent with applicable data protection laws and established international security standards. This includes physical, technical and administrative safeguards, to help prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks, and the loss of any storage medium or device on which the Personal Data is stored, and to maintain the general security of the data.

## Rights over the Personal Data

As a summary, the following Data Subject rights may be exercised to the extent provided under applicable data protection laws:

- confirm whether we hold the Data Subject's Personal Data and the type of Personal Data held by us;
- access a copy of the Personal Data held by us;
- delete your Personal Data held by us;
- correct or supplement your Personal Data where it is found to be inaccurate;
- restrict the processing performed on your Personal Data;
- withdraw consent to the processing of your Personal Data in certain situations (e.g. processing carried out on the basis of our legitimate interests); and
- transfer the Personal Data to another party in a machine readable format.

In certain jurisdictions, Data Subjects may also be provided with additional rights.

<b>California</b>	<ul style="list-style-type: none"><li>• Request that we disclose the categories of third parties with whom we have shared the information and the categories of Personal Data that we have shared with third parties for a business purpose.</li></ul>
<b>Mainland China</b>	<ul style="list-style-type: none"><li>• Explanation on the rules of processing the Personal Data;</li><li>• Extension of the Data Subject rights to a surviving next-of-kin where the applicable laws permit; and</li><li>• Transfer of your Personal Data to your designated party, where the applicable laws permit.</li></ul>
<b>United Kingdom and Europe</b>	<ul style="list-style-type: none"><li>• Right to object to processing. You have the right to object to processing to the extent we process your Personal Data because the processing is in our legitimate interests.</li></ul>
<b>Singapore</b>	<ul style="list-style-type: none"><li>• In certain circumstances, receive information about the ways in which the Personal Data has been or may have been used or disclosed by us in the year before the date of the request.</li></ul>

Where these rights apply, we shall use reasonable endeavours to fulfil the request or provide an explanation. Please note that under applicable data protection law, we are only obligated to respond to Personal Data requests from the same Data Subject up to two times in a 12-month period, and we may be limited in what Personal Data we can disclose which is also for the protection of your Personal Data.

We will endeavour to respond to you as soon as possible and, in any event, within the timeframe stipulated under the applicable data protection law. In the event of a potential delay, we will provide an explanation and the expected timeframe for delivery. Under applicable data protection law, we may also be required to charge a reasonable fee for the cost of processing the request.

Please note that we may need to seek confirmation of identity or clarification in order to fulfil the request. If you as the Data Subject would like to appoint an authorised agent to make a request on your behalf, we may require you to verify your identity with us directly before we provide any requested information to your authorised agent unless your authorised agent has power of attorney or acts as a conservator. Information collected for purposes of verifying your request will only be used for verification. For deletion requests, you will be required to submit a verifiable request for deletion and then confirm separately that you want Personal Data about you deleted.

If you would like to exercise your data subject rights, please contact the HKEX Group Data Protection Office via one of the channels below.

## Contact Us

If you have any questions or comments relating to the content of this Notice, report any concerns about our Personal Data processing, or if you would like to exercise your Data Subject Rights, please contact us through the channels below:

Group Data Protection Officer  
GDPO Office  
Hong Kong Exchanges and Clearing Limited  
8/F., Two Exchange Square, 8 Connaught Place  
Central  
Hong Kong  
[DataPrivacy@hkex.com.hk](mailto:DataPrivacy@hkex.com.hk)

UK Representative:  
10 Finsbury Square, London, EC2A 1AJ, United Kingdom

EU Representative:  
De Cuserstraat 91, 1081 CN Amsterdam, Postbus/PO Box 7902, 1008 AC Amsterdam, Netherlands  
[hkex.eurep@eversheds-sutherland.com](mailto:hkex.eurep@eversheds-sutherland.com)

Please include the following details in any request to exercise your Data Subject Rights:

### Identity of Data Subject

- Full Name
- Company Name
- Email Address
- Address of principal residence
- Identity particulars if acting on behalf of a Data Subject
- Contact *details held on file or Document(s) to verify identity*

### Nature of the Request

- Product or Service to which the Data Subject has subscribed
- Specific Right
  - Purpose of the Request
  - Preferred communication channel and address for receiving the results of the request
  - Document(s) to support the rights request

Any Data Subject who has contacted us to express concerns about the way we manage their Personal Data and is of the view that we have not addressed the matter satisfactorily, may also contact the relevant privacy regulator to resolve the matter or seek assistance.

The privacy regulator in the United Kingdom is the Information Commissioner, who may be contacted at <https://ico.org.uk/make-a-complaint/> or by post to: Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, United Kingdom.

If you live outside of the UK, you may contact the relevant data privacy regulator in your country of residence.

*Last updated: 7 June 2024*

## **Annex**

This Notice relates to privacy practices of the following HKEX group entities. For the contact details of the following entities, please refer to the “Contact Us” section.

- The Hong Kong Stock Exchange of Hong Kong Limited
- Hong Kong Futures Exchange Limited
- Hong Kong Securities Clearing Company Limited
- HKFE Clearing Corporation Limited
- The SEHK Options Clearing House Limited
- OTC Clearing Hong Kong Limited
- HKEX Information Services Limited
- HKEX Information Services (China) Limited
- HKEX (China) Limited, HKEX Investment (China) Limited
- HKEX Investment (Hong Kong) Limited
- Qianhai Mercantile Exchange Co. Ltd.
- Hong Kong Futures Exchange Limited Singapore Branch
- The Stock Exchange Of Hong Kong Limited Singapore Branch
- HKEX (U.S.) LLC

# Hong Kong Exchanges and Clearing Limited

8/F, Two Exchange Square,  
8 Connaught Place,  
Central, Hong Kong

[hkexgroup.com](http://hkexgroup.com) | [hkex.com.hk](http://hkex.com.hk)

[info@hkex.com.hk](mailto:info@hkex.com.hk)  
T +852 2522 1122  
F +852 2295 3106