

**Submitted via Qualtrics**

**(Anonymous)**

**Company/Organisation view**

**Structured Products Issuer**

**Question 1**

**Do you agree that the minimum issue price for DWs should be lowered from HK\$0.25 to HK\$0.15?**

Yes

**Please provide reasons for your views and any alternative suggestions.**

We are supportive of the proposal to lower the minimum issue price from HK\$0.25 to HK\$0.15, as this adjustment would enable a broader range of strike prices at issuance and enhance product structuring flexibility.

However, we would also like to respectfully advocate for maintaining the current minimum tenor of six months. With a wider range of strikes, there is potential for an increase in products with lower delta. If the minimum tenor is also shortened, the market may become disproportionately concentrated in such products, potentially reducing product diversity and limiting investor choice.

We believe that preserving the six-month minimum tenor would help maintain a balanced and diversified market landscape, which is beneficial to both issuers and investors.

**Question 2**

**Do you agree with the proposal to remove the minimum issue price requirement for CBBCs?**

No

**Please provide reasons for your views and any alternative suggestions.**

The minimum issue price of a CBBC should align with its theoretical value at the time of issuance. It may appear inconsistent for the Exchange to permit a security to be issued below the minimum traded price recognized by its trading system. Our suggestion is that the minimum issue price should not be less than the minimum trading price on the Exchange's system HK\$0.01.

### **Question 3**

**Do you agree with the proposal to lower the minimum market capitalisation at issuance for (a) DWs and (b) CBBCs from HK\$10 million to HK\$6 million if our proposals on the minimum issue price of the respective product are adopted?**

No

**Please provide reasons for your views.**

We respectfully propose that the Exchange consider removing the minimum market capitalization requirement and allow issuers to determine the appropriate issue size based on commercial considerations. The concept of market capitalization per security is more relevant to listed companies. In contrast, LSP issuers manage a portfolio of structured products, and their exposure is assessed on an aggregated basis rather than at the individual product level.

Conversely, we would advocate for a maximum issuance size requirement instead. Oversized positions could pose more systemic risks to the market, particularly in relation to illiquid underlying assets.

Issuers are best positioned to evaluate the appropriate issue size by considering factors such as listing fees, anticipated market demand, and their own risk appetite. We believe this approach would better reflect the commercial realities of the structured product market and support a more flexible and efficient listing framework.

### **Question 4**

**Do you agree with the proposal to add additional entitlement ratios allowing the issuances of two, eight, 20, 80, 200, 800, 1,000, and thereafter in multiples of 500 units of structured products for one share (or other security) in relation to DW and CBBC issuances?**

Yes

**Please provide reasons for your views.**

We are of a view that this additional allows product flexibility.

**Question 5**

**Do you agree with the proposal to require Emulation Issues to have identical product terms as existing issues except for issue price and issue size?**

Yes

**Please provide reasons for your views.**

We support level-playing competition. Identical product terms facilitate direct comparison of the products by retail investors.

**Question 6**

**Do you agree with the proposal to determine the eligibility of ETFs as underlying securities (for structured products linked to single ETF) based on the AUM (rather than “public float capitalisation”) of ETFs?**

Yes

**Please provide reasons for your views.**

**Question 7**

**With the above proposed change of reference to AUM for assessing eligibility of ETFs, do you agree with the proposal to change the eligibility threshold for an ETF as an underlying security for structured product issuances linked to a single ETF to at least HK\$1 billion (instead of HK\$4 billion) over the 60-day Qualifying Period?**

Yes

**Please provide reasons for your views.**

**Question 8**

**Do you agree with the proposal to delete the Prescriptive Product Terms requirements from the Rules and require product issuance be subject to the permitted product terms to be published from time to time by the Exchange?**

Yes

**Please provide reasons for your views.**

However, the permitted product terms should be transparent and well-informed to the public. The description from the Exchange shall be in the same terminology as the Terms and Conditions of the products on the Issuers' BLD.

**Question 9**

**Do you agree with the proposal to, in relation to structured products which are, or which may be, settled by delivery of the underlying securities or assets, also allow the relevant terms and conditions to provide for electronic transfer for settlement of underlying securities or assets through other settlement platforms as approved by the Exchange?**

Yes

**Please provide reasons for your views.**

This rule may facilitate product development of equity linked instrument or foreign underliers. However, automatic exercise of LSP at CCASS and physical settlement of foreign underliers through other settlement platforms will involve additional operational consideration.

**Question 10**

**Do you agree that the minimum NAV requirement should be increased from HK\$2 billion to HK\$5 billion?**

Yes

**Please provide reasons for your views and any alternative suggestions.**

The total market size of LSP has increased significantly over the past 20 years.

**Question 11**

**Do you agree with the proposal to impose a mandatory requirement that issuers must be Regulated Entities?**

Yes

**Please provide reasons for your views.**

On the basis of no change to the current arrangement that for guaranteed issuers, the Guarantor is an appropriately Regulated Entity. That can strengthen investor protection and uphold market integrity.

**Question 12**

**Do you agree with the proposal to mandate investment grade ratings awarded by all CRAs from which it has sought a credit rating and additional disclosure requirements in listing documents, where**

**the requisite credit ratings should be obtained by:**

**(a) the issuer (or, in case the issuer is not rated, the issuer's Holding Companies); or**

**(b) in case of guaranteed issues, the guarantor, or (in case the guarantor is not rated) the issuer, or (in case neither the guarantor nor the issuer is rated) any of the guarantor's Holding Companies, or (in case none of the guarantor, the issuer or the guarantor's Holding Companies is rated) any of the issuer's Holding Companies?**

**and**

**the following disclosures should be included in the listing documents:**

**(c) the credit ratings are for investors' reference only,**

**(d) where the credit rating of the Holding Companies is relied upon by the issuer or the guarantor for eligibility assessment,**

**(i) identify the Holding Companies and describe their relationship with the issuer, and (in case of guaranteed issues) the guarantor; and**

**(ii) investors (1) shall have no recourse against the Holding Companies and (2) shall determine the relevance and significance of credit ratings of the Holding Companies?**

No

**Please provide reasons for your views.**

We acknowledge that the requirement for an investment-grade credit rating can enhance investor protection. However, we respectfully note that credit rating agencies (CRAs) may apply different methodologies and rationales in their assessments. As a result, upgrades and downgrades are not always synchronized across agencies, and there is currently no standardized framework for comparing these differing approaches.

In edge cases where a credit rating from one CRA temporarily falls below investment grade, the issuer may become ineligible under the proposed rule—even if the rating is promptly restored or other CRAs continue to maintain investment-grade assessments. This could result in unnecessary disruption to the issuer's business operations, which may not serve the best interests of warrant holders.

To mitigate this risk, we suggest refining the requirement to mandate an investment-grade rating from at least two CRAs, rather than from all. This approach would provide a more balanced and practical framework while still upholding investor protection.

### **Question 13**

**Do you agree with the proposal that, where an issuer fails to fulfil any of the proposed NAV requirement, the Regulated Entity requirement and the credit**

**rating requirement, the issuer may issue guaranteed issues with the eligibility requirement being satisfied by a guarantor fulfilling all of the proposed NAV requirement, the Regulated Entity requirement and the credit rating requirement (see paragraph 99(c)(ii))?**

Yes

**Please provide reasons for your views.**

International financial institutions have multiple considerations in business setting all over the world. This rule allows feasible business solution for financial institutions and encourages issuer diversity.

#### **Question 14**

**Do you agree with the proposal that: (a) an eligible issuer may issue guaranteed issues provided that such guarantor also satisfies the proposed NAV requirement, the Regulated Entity requirement and the credit rating requirement (see paragraph 99(c)(ii)); and (b) in such cases, each of the issuer and the guarantor will be required to individually comply with the Rules?**

No

**Please provide reasons for your views.**

We respectfully submit our concerns regarding the proposed scope for the guarantor to comply with the Rules. The Rules refer to all applicable rules governing the Listing of Securities on The Stock Exchange of Hong Kong (Main Board), not just Chapter 15A. The guarantor, which is commonly the parent company of the group and incorporated in the jurisdiction outside Hong Kong, has additional regulatory concerns in undertaking certain non-market risks outside its place of incorporation.

This concern comes particularly with respect to the current drafting and interpretation of proposed amendments to 15A.20A and Appendix E5 item 5(A)(1). Item 5(A) (1) of draft amendments to the Rules require the Issuer to provide liquidity. Should item 5(A) (1) liquidity provision requirements extend to apply to guarantors who are incorporated in the US, Issuers belonging to US Financial Institutions' would need to reassess potential conflicting legal obligations and its ability to continue to issue and deal in structured products linked to securities which are subject to the Chinese Military-Industrial Complex Companies sanctions program (for example, Hang Seng Index).

As the Exchange would be aware, from a day to day basis, the Issuer appoints a SFC licensed Hong Kong entity (or entities) to manage its business. The entity which holds the Exchange trading right performs the liquidity provision. The issuer through internal group governance and policies has responsibility to ensure the liquidity provider (i.e. the SFC licensed HK entity) fulfils the Exchange's requirements. In all cases, the guarantor does not provide liquidity nor entail in buying and selling the securities directly. The obligation of the guarantor should not extend beyond its financial responsibilities to perform the contractual terms in the listing documents.

Finally, if the regulatory regimes change significantly, it will ultimately discourage issuer diversity.

### **Question 15**

**Do you agree with the proposal to impose the following requirements on an ongoing basis whilst any of the issuers' structured products are listed on the Exchange, in addition to NAV requirement:**

**(a) issuers or (in the case of guaranteed issues) the guarantors shall, or (where credit ratings of Holding Companies are relied upon for eligibility assessment) shall ensure that the Holding Companies will, comply with the credit rating requirement; and**

**(b) issuers or (in the case of guaranteed issues) the guarantors shall comply with the Regulated Entity requirement?**

Yes

**Please provide reasons for your views.**

In principle, the eligibility requirement should be applicable when the ongoing obligations are valid. Please also consider our response on Q12 relating to the credit rating requirements.

### **Question 16**

**Do you agree with the proposal to allow a transitional period of 12 months from the effective date of the Rule amendments for existing issuers and/or guarantors to comply with the new eligibility requirements?**

Yes

**Please provide reasons for your views.**

**Question 17**

**Do you agree with the proposal to clarify that the Exchange may accept other group companies (meaning any of the issuer's Holding Companies, subsidiaries and fellow subsidiaries) to be the guarantor, taking into account the circumstances of the issuer and/or the guarantor as the Exchange may, in its discretion, consider appropriate?**

Yes

**Please provide reasons for your views.**

**Question 18**

**Do you agree with the following proposals to:**

**(a) delete the minimum service level for quotation size (i.e. 20 board lots) from the Rules;**

**(b) mandate the minimum service levels for liquidity provision specified in the listing documents to comply with the minimum service levels as published by the Exchange from time to time and**

**(c) add a specific obligation in the Rules on issuers to comply with the minimum service levels for liquidity provision specified in the listing documents?**

No

**Please provide reasons for your views.**

We have reservations about this proposal.

We respectfully submit our view that a complete and transparent articulation of the minimum service levels should include not only the details of the requirements but also the clearly defined circumstances under which the liquidity provider is not obligated to provide liquidity. The exemption conditions should not be subject to different interpretations, on when and how the liquidity provider can be exempted from the minimum service level. Any ambiguity introduces regulatory uncertainty for Issuers and, where applicable, guarantors. Implementing new rules without a well-defined framework for exemptions may inadvertently expose market participants to undefined compliance risks and operational disruptions.

With respect to the proposed language in (b), the minimum service levels as published by the Exchange from time to time – we advocate a more transparent and consultative process by which the Exchange determines and communicates these requirements. Issuers should be consistently engaged and provided with supporting information for proposed changes. An absence of clarity further compounds the uncertainty surrounding regulatory obligations and risk management.

Should the Exchange proceed with mandating minimum service levels within the listing documents and rules, we strongly recommend that either:

(a) it only retains the existing scope of the minimum service levels as set out in the current rules including, for example, that the Issuer must provide liquidity within five minutes after market opens and that the Issuer must provide liquidity for at least 20 board lots of the structured product; or

(b) it also publishes a clear and comprehensive definition of circumstances and conditions under which exemptions may apply. This would promote consistent interpretation, reduce regulatory ambiguity, and support the orderly functioning of the structured product market.

**Question 19**

**Do you agree with the proposal to shorten the publication deadline of interim financial reports from four months to three months after the relevant interim period end?**

Yes

**Please provide reasons for your views.**

**Question 20**

**Do you agree with the proposal to impose a mandatory requirement for issuers and (in case of guaranteed issues) guarantors that have subsidiaries to publish consolidated financial statements in their annual and interim reports in respect of the first six months of its financial year, and include such information in listing documents?**

Yes

**Please provide reasons for your views.**

**Question 21**

**Do you agree with the proposal to introduce a requirement for issuers and guarantors of non-collateralised products to inform the Exchange and announce any change in their regulatory status as soon as practicable?**

Yes

**Please provide reasons for your views.**

**Question 22**

**Do you agree with the proposal to require issuers: (a) to announce change of liquidity providers or their particulars (such as broker ID number or contact information) before implementing such a change (in addition to notifying the**

**Exchange); and (b) to inform the Exchange and announce as soon as practicable upon any disruption to, or resumption of, liquidity provision services?**

Yes

**Please provide reasons for your views.**

**Question 23**

**Do you agree with the proposal to require issuers and/or guarantors to announce the matters as set out in item (A) of paragraph 160 in addition to informing the Exchange as soon as practicable?**

Yes

**Please provide reasons for your views.**

It supports market transparency.

**Question 24**

**Do you agree with the proposal to require issuers and/or guarantors to announce a change in their credit rating as disclosed in the listing documents in addition to informing the Exchange as soon as practicable?**

Yes

**Please provide reasons for your views.**

It supports market transparency.

**Question 25**

**Do you agree with the proposal to require issuers and/or guarantors to announce matters relating to their winding up and liquidation as set out in item (C) of paragraph 160 in addition to informing the Exchange as soon as practicable?**

Yes

**Please provide reasons for your views.**

It supports market transparency.

**Question 26**

**Do you agree with the proposal to require issuers to publish the trading reports on the Exchange's website instead of reporting to the Exchange?**

Yes

**Please provide reasons for your views.**

It streamlines issuer's workflows.

**Question 27**

**Do you agree with the proposal to require issuers and/or guarantors to inform the Exchange and announce any downgrade in their rating outlook as soon as practicable?**

Yes

**Please provide reasons for your views.**

It supports market transparency.

**Question 28**

**Do you agree with the proposal, where credit ratings of Holding Companies are relied upon by the issuers or the guarantors for eligibility assessment, to require issuers and/or guarantors to inform the Exchange and announce credit rating changes as disclosed in the listing documents (including any downgrade in rating outlook) of these Holding Companies as soon as practicable if our proposal on credit rating requirement under issuer eligibility assessment is adopted?**

Yes

**Please provide reasons for your views.**

**Question 29**

**Do you agree with the proposal to require issuers and/or guarantors to inform the Exchange and announce the winding up and liquidation events concerning their respective Holding Companies as set out in item (C) of paragraph 160 as soon as practicable after the occurrence of such events?**

Yes

**Please provide reasons for your views.**

### **Question 30**

**The Exchange proposes to clarify in the Rules that:**

- (a) in assessing the suitability or capability of an issuer, in addition to the considerations mentioned in paragraph 169, where appropriate, the Exchange may have regard to, inter alia, the issuer's group (meaning any of the issuer's Holding Companies, subsidiaries and fellow subsidiaries and any associated companies of any of them) members': (i) previous experience in issuing and managing the issue of other similar instruments; (ii) risk management systems and procedures; and (iii) whether they have satisfactory experience in managing the potential obligations under the structured product issue;**
  
- (b) it may impose restrictions and conditions on the issuance of structured products linked to any eligible underlying assets;**
  
- (c) it may require an issuer to withdraw the listing of existing products that are held entirely by the issuer or members of its group (including any of the issuer's Holding Companies, subsidiaries and fellow subsidiaries and any associated company of any of them);**
  
- (d) without prejudice to the Exchange's powers under the Rules, the circumstances under which the Exchange may impose additional requirements or conditions on issuance of structured products by issuers include, without limitation where: (i) in the Exchange's opinion, there has been an adverse change in the financial circumstances of the issuer or (in the case of a guaranteed issue)**

**guarantor or (in case where credit ratings of Holding Companies are used to satisfy the credit rating requirement) their Holding Companies; (ii) in the Exchange's opinion, the issuer fails to properly issue and manage structured products issue; or (iii) the issuer is applying to list a new type of structured products;**

**(e) the appointment of a liquidity provider that is not a member of the issuer's group requires the Exchange's prior approval; and**

**(f) it will assess an issuer's or guarantor's ongoing compliance with eligibility requirements as well as an issuer's performance in issuing and managing structured products issues (including but not limited to liquidity provision, the requirements of which will be published from time to time by the Exchange) whilst its structured products are listed on the Exchange. Where an eligible issuer issues guaranteed issues, the Exchange will conduct the assessment described above individually on each of the issuer and the guarantor.**

No

**Please provide comments on whether the drafting of the proposed amendments will give rise to any ambiguities or unintended consequences.**

More clarifications are required for this question before we can provide a definitive view.

### **Question 31**

**Do you agree with the proposal to amend the Rules such that:**

- (a) the requirement to publish a Launch Announcement will be removed;**
- (b) the prescribed particulars that are currently required to appear in a Launch Announcement will be consolidated into disclosure requirements for a stand alone listing document and an SLD and will be set out in Appendix D1D to the Rules; and**
- (c) a stand alone listing document or an SLD will be published as soon as practicable after the Launch Date once the Exchange confirmed that it has no comments and no later than the first business day following the Launch Date?**

Yes

**Please provide reasons for your views.**

**Question 32**

**Do you agree with the proposal, in relation to the listing of Further Issues where the existing issues are non-collateralised and issued pursuant to a base listing document, to accept simplified versions of SLDs, such that, to the extent that the information contained in SLDs for existing issues remains the same, issuers would not be required to reproduce such information in the SLDs for Further Issues, except for information required by the “General Information” and “Other information” sections of Appendix D1D to the Rules?**

Yes

**Please provide reasons for your views.**

**Question 33**

**Do you agree with the proposal that the SLDs for Further Issues may contain only the following information:**

**(a) the disclosure specified by the “General Information” and “Other information” sections of Appendix D1D to the Rules;**

**(b) any update to the information as set out in the listing documents for the existing issues;**

**(c) the number of units of the Further Issues to be issued;**

**(d) the closing price of the existing issues on either the day on which the Further Issues are launched or, if the Further Issues are launched before trading on the Exchange has ceased for the day, the day preceding the day on which the Further Issues are launched;**

**(e) the date of publication of, and a web link to, each of the base listing document, any supplementary listing document and SLD for the existing issues;**

**(f) a statement that the Further Issues form a single series with the existing issues;**

**(g) a statement that the SLD for the Further Issues shall be read in conjunction with the base listing document, any supplementary listing document and SLD for the existing issues; and**

**(h) a declaration by the issuer that the information contained in the base listing document (as supplemented by any supplementary listing document and the SLDs for both the existing issues and Further Issues) is, as at the date of the SLD for the Further Issues, up-to-date and is true, accurate and complete in all material respects and there are no other matters the omission of which would make the SLD or any statement therein misleading.**

Yes

**Please provide reasons for your views.**

#### **Question 34**

**Do you agree with the proposal to not require the guarantor to apply for listing of Further Issues?**

Yes

**Please provide reasons for your views.**

#### **Question 35**

**Do you agree with the proposal to exempt the disclosure of Index Information in listing documents where: (a) the Index Information is publicly available in English**

**and Chinese on the index compiler's website; and (b) a web link to such website is included in the listing documents?**

Yes

**Please provide reasons for your views.**

The index compiler is the golden source of index information. Providing a web link for the official information from the index compiler is effective to promote market transparency and ensure information accuracy.

### **Question 36**

**With the above proposal, do you agree with the proposal to remove the specific exemption for HSI from the Rule?**

Yes

**Please provide reasons for your views.**

### **Question 37**

**Do you agree with the following proposals:**

**(a) to allow securities dealers (that are also issuers) to offer Incentives subject to safeguards mentioned in paragraph 202. In respect of safeguard (c), the Incentives will not be recovered by the issuers' securities dealing units from their structured product issuance units;**

**(b) where the Incentives relate to specific structured products, such Incentives shall be in the form of fee discounts;**

**(c) to require disclosures in the relevant listing documents and publicity materials alerting investors to the fact that an issuer or its group company intends to offer Incentives and that investors should make investment decisions with respect to structured products without regard to the benefit of such Incentives; and**

**(d) to clarify the issuer's group to mean any of the issuer's Holding Companies, subsidiaries and fellow subsidiaries; and replace "close associates" with members of an issuer's group?**

Yes

**Please provide reasons for your views.**

Para 202 provides satisfactory level of safeguards to address potential misuse of incentive scheme. Allowing securities to offer incentives as described in (a) supports commercial flexibility to the entities which operate securities dealing business in Hong Kong.

### **Question 38**

**Do you agree with the proposal to define structured product in the Rules as having the meaning defined in the SFO as amended from time to time, and to remove the generic descriptions of structured products and underlying assets in the Rules?**

Yes

**Please provide reasons for your views.**

### **Question 39**

**Do you agree with the proposal to replace the requirement that one of the authorised representatives must be a director with the requirement that such authorised representative must be a senior officer of the issuer or the guarantor instead?**

Yes

**Please provide reasons for your views.**

### **Question 40**

**Do you agree with the proposal that legal opinions of guaranteed issues should also confirm that:**

**(a) the guarantee or other security is enforceable in accordance with its terms; (b) the guarantee or other security is issued in conformity with the laws of the place in which the guarantor is incorporated or otherwise established and in conformity with the guarantor's memorandum and articles of association or equivalent documents; and all authorisations needed for its issue under such laws or documents have been duly given;**

**(c) the guarantee or other security, and the guarantor's liability for the due and punctual performance of the obligations of the issuer, will also not be affected in case of administration or analogous action of the issuer; and**

**(d) the guarantor is duly incorporated or otherwise established under the laws of the place in which it is incorporated or otherwise established?**

No

**Please provide reasons for your views.**

We strongly propose that the guarantee should be perpetual in nature and therefore does not need to be renewed annually. On this basis, we are of the view that the legal opinions on the guarantee should only be provided once at inception when the warrants program is established. If such legal opinions are required on an annual basis, this would increase compliance costs and operational inefficiency.

With respect to paragraph (d), this would require a separate legal opinion from the [REDACTED] counsel (as our guarantor is incorporated in the [REDACTED]) and we are therefore not supportive of this legal opinion which would increase the cost of maintaining the warrants program and increase operational risks.

#### **Question 41**

**Do you agree with the proposal to require issuers to submit to the Exchange legal opinions confirming the following:**

**(a) the obligations of the issuer under the structured products are legal, valid, binding and enforceable in accordance with the terms of the structured products;**

**(b) (i) the structured products are issued in conformity with the laws of the place in which the issuer is incorporated or otherwise established and in conformity with the issuer's memorandum and articles of association or equivalent documents; and (ii) all authorisations needed for their creation and issue under such laws or documents have been duly given;**

**(c) the issuer is duly incorporated or otherwise established under the laws of the place in which it is incorporated or otherwise established; and**

**(d) such other matters as the Exchange shall require depending on the circumstances of the issuer?**

Yes

**Please provide reasons for your views.**

Yes, provided that such legal opinions are only provided once at the inception of the program. With respect to paragraph (d), please can the Exchange provide guidance of what other matters may be, as it would help issuers to better manage the process of establishing their warrants program.

#### **Question 42**

**Do you agree with the proposal that legal opinions of collateralised issues should also confirm the following:**

**(a) the validity of the proposed trust or other security arrangements and that they are enforceable in accordance with their terms;**

**(b) all authorisations needed for the proposed trust or other security arrangements under the laws of the place in which the security provider is**

**incorporated or otherwise established and the security provider's memorandum and articles of association or equivalent documents have been duly given; and**

**(c) such other matters as the Exchange shall require depending on the circumstances of the issuer and/or the security provider?**

Yes

**Please provide reasons for your views.**

Yes, provided that such legal opinions are only provided once at the inception of the program. With respect to paragraph (c), please can the Exchange provide guidance of what other matters may be, as it would help issuers to better manage the process of establishing their warrants program.

#### **Question 43**

**Do you agree with the proposal to require legal opinions in respect of issuers, guaranteed issues and collateralised issues to be submitted:**

**(a) in draft form at the time of submission of their respective first draft of the base listing document or stand alone listing document; and**

**(b) in final form on the date of publication of their respective base listing document or stand alone listing document?**

Yes

**Please provide reasons for your views.**

#### **Question 44**

**Do you agree with the proposal to delete all requirements on continuing obligations in Chapter 15A and move them to Appendix E5 to the Rules?**

No

**Please provide reasons for your views.**

We respectfully submit our concerns regarding the proposed language in Appendix E5, which incorporates the continuing obligations currently outlined in Rules 15A.21 (financial disclosure), 15A.22 (liquidity provision), 15A.23 and 15A.24 (dealings by the issuer and its subsidiaries), and 15A.24A (incentives), as well as the Terms and Conditions of the Listing Agreement signed by both the issuer and the guarantor.

While the Listing Agreement represents a bilateral contractual commitment, embedding its terms into the Listing Rules transforms these obligations into statutory requirements, thereby altering their enforceability and regulatory scope. Imposing broader regulatory scope may discourage issuer participation and reduce market diversity.

#### **Question 45**

**Do you agree with the proposal to:**

**(a) delete the list of general factors for considering suitability of structured products linked to overseas stocks in the Rules and move them to the New Product Guide which sets out, among other matters, specific information to be submitted by an issuer to the Exchange, as well as additional factors to consider, in its suitability assessment; and**

**(b) state in the Rules that the Exchange will specify from time to time the factors that it will consider in determining the suitability of structured products that relate to overseas stocks or ETFs and other assets?**

Yes

**Please provide reasons for your views.**

#### **Question 46**

**Do you agree with the proposal to: (a) remove the references to “advertisements” from the Rules; and (b) require issuers to agree the trading arrangements of their products with the Exchange in advance and remove the requirement for them to**

**submit draft trading arrangements announcements to the Exchange for clearance before publication?**

Yes

**Please provide reasons for your views.**

**Question 47**

**Do you agree with the proposal to allow publication of announcements during trading hours regarding disruption and resumption of liquidity provision services, and expiry of CBBCs due to occurrence of an MCE?**

Yes

**Please provide reasons for your views.**

**Question 48**

**Do you agree with the proposal to: (a) clarify that an MCE announcement should include both the time when the MCE occurred and the residual value, where applicable; and (b) require such an announcement to be published as soon as practicable after occurrence of an MCE?**

Yes

**Please provide reasons for your views.**

**Question 49**

**Do you agree with the proposal to require an announcement mentioned in paragraph 256 to contain information about, including but not limited to, the commencement of the suspension period, (if known) the end of the suspension period and how the suspension period will affect the exercise rights under the structured products?**

Yes

**Please provide reasons for your views.**

**Question 50**

**Do you agree with the proposal to require publication of listing documents as soon as practicable after the Exchange has confirmed it has no comments?**

Yes

**Please provide reasons for your views.**

**Question 51**

**Do you agree with the proposals to require guarantors:**

**(a) to be duly incorporated or otherwise established under the laws of the place in which they are incorporated or otherwise established and must be in conformity with those laws and their memorandum and articles association or equivalent documents; and**

**(b) to accept responsibility for information in relation to the guarantors contained in the listing document?**

Yes

**Please provide reasons for your views.**

**Question 52**

**Do you agree with the proposals to require guarantors to: (a) publish full details of any other financial information which guarantors may provide to any other exchange or market; and (b) prepare the interim financial reports and statement referred to in the Rules in accordance with guarantors' usual accounting policies and procedures?**

No

**Please provide reasons for your views.**

As [REDACTED] is a large financial institution, it may be required to provide financial information to various exchanges and markets across multiple jurisdictions where we operate or conduct business. Accordingly, requiring us to publish full details of such financial information would substantially increase the compliance burden on the Firm. Our view is that investors already benefit from transparency in relation to our guarantor through the quarterly financial statements which are published by the Firm.

We are supportive of (b) as our guarantor is already preparing interim financial reports and statements.

**Question 53**

**Do you agree with the proposal to require issuers to: (a) notify the Exchange of any proposed changes in the terms of conversion or in the terms of the exercise of any of the issuers' structured products, the effective date and the effect of any such changes; and that issuers must not proceed with such changes until the Exchange has confirmed that it has no comments; and (b) publish an announcement on any such proposed changes and the effective date of such changes prior to the effective date of such change?**

Yes

**Please provide reasons for your views.**

**Question 54**

**Do you agree with the proposal to state in the Rules that issuers: (a) may only issue structured products relating to underlying assets that are approved and specified as such from time to time by the Exchange; and (b) should seek approval from the Exchange before issuing structured products relating to other assets that have not been approved or specified as such by the Exchange?**

Yes

**Please provide reasons for your views.**

**Question 55**

**Do you agree with the proposal to require issuers to also comply with guidelines published by regulatory bodies relating to the marketing of structured products?**

Yes

**Please provide reasons for your views.**

**Question 56**

**Do you agree with the proposal to require issuers to comply with such relevant laws, regulations, rules and guidelines at all times?**

Yes

**Please provide reasons for your views.**

**Question 57**

**Do you agree with the proposal to prohibit the issuance of structured products linked to issuer's own securities or securities of its group companies (meaning any of the issuer's Holding Companies, subsidiaries and fellow subsidiaries) or a company of which the issuer is a controlling shareholder or has effective management control?**

Yes

**Please provide reasons for your views.**

**Question 58**

**Do you agree with the proposal to remove government or government-backed entities as a type of issuer of non-collateralised structured products that does not need to comply with the eligibility requirements on Regulated Entity and credit rating?**

Yes

**Please provide reasons for your views.**

### **Question 59**

**Do you agree with the proposal to require an applicant regulated by the HKMA to: (a) notify the HKMA as soon as possible of its intention to become an issuer of structured products listed on the Exchange and to give to the HKMA as much detail of any proposed issue of structured products as is available at the time of notification; and (b) give a copy of such notification to the Exchange before the Exchange will consider any application for listing structured products?**

Yes

**Please provide reasons for your views.**

### **Question 60**

**The Exchange proposes to clarify in the Rule that the list that is currently published at approximately quarterly intervals may also be published at shorter intervals as the Exchange may determine.**

Yes

**Please provide comments on whether the drafting of the proposed amendments will give rise to any ambiguities or unintended consequences.**

### **Question 61**

**In addition to the list that the Exchange currently publishes at approximately quarterly intervals, the Exchange also proposes to publish from time to time: (a) a**

**list of additional stocks or ETFs that are listed on the Exchange and become eligible underlying assets between two scheduled publications; and (b) a list of additional eligible underlying assets other than stocks or ETFs that are listed on the Exchange.**

Yes

**Please provide comments on whether the drafting of the proposed amendments will give rise to any ambiguities or unintended consequences.**

### **Question 62**

**Do you agree with the proposal to repeal the requirement to include the parameters as set out in paragraph 291 in Launch Announcements?**

Yes

**Please provide reasons for your views.**

### **Question 63**

**Do you agree with the proposal to: (a) remove the awarding date of credit rating from the disclosure requirements; and (b) extend the disclosure requirement of the credit rating and credit rating agency to include (where credit ratings of issuers'/guarantors' Holding Companies are used for eligibility assessment) issuers'/guarantors' Holding Companies in all listing documents if our proposal on credit rating requirement under issuer eligibility requirements is adopted?**

Yes

**Please provide reasons for your views.**

### **Question 64**

**Do you agree with the proposal to also require disclosure in the listing documents, the rights of holders of structured products in the case of administration or an analogous action of the issuer and (in the case of**

**guaranteed issues) the guarantor, and the company whose securities underlie the structured product?**

Yes

**Please provide reasons for your views.**

**Question 65**

**Do you agree with the proposal to:**

**(a) in addition to including details of any changes to the information contained in the base listing document, mandate a declaration by the issuer in the SLD that the information contained in the base listing document (as supplemented by the SLD and any supplementary listing document) is, as at the date of the SLD, up-to-date and is true, accurate and complete in all material respects and there are no other matters the omission of which would make the SLD or any statement therein misleading; and**

**(b) also require a supplementary listing document to include: (i) details of any changes to the information contained in the base listing document; and (ii) a declaration by the issuer that the information contained in the base listing document (as supplemented by the SLD and the supplementary listing document) is, as at the date of the supplementary listing document, up-to-date and is true, accurate and complete in all material respects and there are no other matters the omission of which would make the supplementary listing document or any statement therein misleading?**

Yes

**Please provide reasons for your views.**

**Question 66**

**Do you agree with the proposal that, in the case of a guaranteed issue, the financial information set out in paragraph 303 should be disclosed in respect of both the issuer and the guarantor?**

Yes

**Please provide reasons for your views.**

**Question 67**

**Do you agree with the proposal to also require stand alone listing documents to be displayed on the Exchange's website for so long as any structured products issued under such stand alone listing document are listed on the Exchange?**

Yes

**Please provide reasons for your views.**

**Question 68**

**Do you agree with the proposal to require issuers to publish the documents as set out in paragraph 309 in both English and Chinese language?**

Yes

**Please provide reasons for your views.**

**Question 69**

**Do you agree with the proposal to replace the existing requirement that the draft of the stand alone listing document be in a reasonably advanced form with the requirement that such draft be substantially complete except in relation to commercial or other information that by its nature can only be finalised and incorporated at a later date?**

Yes

**Please provide reasons for your views.**

No opinion on this.

**Question 70**

**Do you agree with the proposal, where the listing of collateralised structured products is sought to: (a) also consider an issuer's risk management systems and procedures (and such other factors as the Exchange may, in its discretion, consider appropriate); and (b) require issuers to contact the Exchange to seek informal and confidential guidance as to their eligibility and suitability for listing at the earliest possible opportunity?**

Yes

**Please provide reasons for your views.**

**Question 71**

**Do you agree with the proposal to:**

**(a) amend the Rule such that the focus will be on the collateral and replace the prescriptive modes of security arrangements with respect to the collateral with generic requirements to require the collateral to be clearly identified, properly segregated and ring-fenced for the benefit of the holders in respect of each series or tranche of the relevant structured product from all other series or tranches issued by the same issuer;**

**(b) apply all the generic collateral requirements referred to in (a) above to all collateralised structured products (rather than imposing a specific obligation on issuers to demonstrate or carry out these security arrangements); and**

**(c) (i) replace the specific reference to "custodian" and "depository" as eligible holders of collaterals with a generic reference to "such other party as agreed by the Exchange" and (ii) define such party or independent trustee as "collateral holder"?**

Yes

**Please provide reasons for your views.**

**Question 72**

**Do you agree with the proposal to remove trust companies registered under Part VIII of the Trustee Ordinance from the list of eligible trustee, custodian or depositary for collateralised structured products?**

Yes

**Please provide reasons for your views.**

It aligns with the SIP code

**Question 73**

**Do you agree with the proposal to require an issuer to, whilst any of its collateralised structured products are listed on the Exchange, to inform the Exchange and announce as soon as practicable where there is any proposed change in the collateral arrangements, trusts or other security arrangements; and that an issuer must not proceed with any proposed changes until the Exchange has confirmed to the issuer that it has no comments?**

Yes

**Please provide reasons for your views.**

No opinion on this.

**Question 74**

**Do you agree with the proposal to require that in the case of an issue of collateralised structured products, the listing document must contain such information on the collateral, collateral holders and collateral arrangements, trusts or other security arrangements necessary to enable an investor to make an informed assessment of the collateralised structured products?**

Yes

**Please provide reasons for your views.**

No opinion on this.

**Question 75**

**In respect of the withdrawal of listing of a structured product, do you agree with the proposal to amend the Rules to clarify that “members of the issuer’s group” includes any of its Holding Companies, subsidiaries and fellow subsidiaries and any associated company of any of them?**

Yes

**Please provide reasons for your views.**

**Question 76**

**Do you agree with the proposal to require an applicant, as soon as it intends to become an issuer of structured products listed on the Exchange, to: (a) procure the exchange participant proposed to be appointed by such applicant as liquidity provider to notify the Intermediaries Division of the SFC as soon as possible of its intention to act as the liquidity provider; and (b) give a copy of such notification to the Exchange?**

Yes

**Please provide reasons for your views.**

**Question 77**

**Do you agree with the proposal to remove the Rules and requirements as set out in items (a) to (s) in paragraph 337?**

Yes

**Please provide reasons for your views.**

**Question 78**

**Do you have any comments on whether the proposed housekeeping Rule amendments will give rise to any ambiguities or unintended consequences?**

Yes

**Please provide reasons for your views.**