

HKEX Chapter 15A Consultation – List of questions

No	Question/Response
1	Do you agree that the minimum issue price for DWs should be lowered from HK\$0.25 to HK\$0.15? Please provide reasons for your views and any alternative suggestions.
	<p>We are supportive of the proposal to lower the minimum issue price for DWs from HK\$0.25 to HK\$0.15. This provides flexibility for issuers launching new products, while it meets the investors demand for products (as disclosed in paragraph 35 of the consultation).</p> <p>As disclosed in paragraph 36 of the consultation, a large percentage of current product issuances are from Emulation Issues, limiting product terms diversity for investors. The proposal to only lower the minimum issue price to HK\$0.15 will not fully address the Emulation Issues.</p> <p>We recommend the Exchange to consider reducing the minimum maturity period from 6 months to 3 months, aligning the current minimum maturity for Emulated Issuance. This will fully address the lack of product terms diversity as mentioned in the consultation.</p>
2	Do you agree with the proposal to remove the minimum issue price requirement for CBBCs? Please provide reasons for your views and any alternative suggestions.
	We welcome the proposal to remove the minimum issue price requirement for CBBCs.
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? Please provide reasons for your views.
	<p>We are supportive of the proposal to lower the minimum market capitalisation at issuance and agree that such proposal can address the issue of potentially larger position sold to the market further to the reduction of minimum issue size, as described in paragraph 58.</p> <p>However, we would like the Exchange to consider the use of “notional value” (number of underlying stocks referenced by the product multiplied by the initial spot price of the stock) to truly reflect the economic exposure of a structured product. This gives a better indication of the potential market impact to the liquidity of the underlying stock. Based on the past experience of product issued in terms of notional value, we propose a minimum of</p>

	HK\$15 million notional value as a minimum for all DWs and CBBCs. In order to maintain a minimum level of units for new issuances to ensure enough supply is offered to investors, we propose to use 40 million units as a minimum for both Warrants and CBBCs.
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? Please provide reasons for your views.
	We are supportive of the proposal to expand the range of entitlement ratios for DWs and CBBCs as this would provide flexibility on the possible range of strikes and maturity for DWs and CBBCs, allowing for more product diversity. The additional entitlement ratios of two, 20, 200, 1,000, would provide the most impact as these levels are doubling the existing entitlement ratios of 1, 10, 100 and 500 units.
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? Please provide reasons for your views.
	We recommend the Exchange to consider the shortening of minimum maturity from 6 months to 3 months, in addition to the Exchange proposal to reduce the minimum issue price from HK\$0.25 to HK\$0.15, as per reasons disclosed in our response to Q1. If this proposal can be adopted, the rules on Emulation Issues can be entirely removed. This will lead to simplification of the issuances, avoid concentration of product terms from current Emulation Issues and allowing more diversity of product terms that fits investors demand.
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? Please provide reasons for your views.
	We have no objection to this proposal.
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? Please provide reasons for your views.
	We have no objection to this proposal.

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? Please provide reasons for your views.
	We have no objection to this proposal.
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? Please provide reasons for your views.
	We have no objection to this proposal.
10	Do you agree that the minimum NAV requirement should be increased from HK\$2 billion to HK\$5 billion? Please provide reasons for your views and any alternative suggestions.
	We have no objection to this proposal.
11	Do you agree with the proposal to impose a mandatory requirement that issuers must be Regulated Entities? Please provide reasons for your views.
	<p>We do not have any objection to the propose and recommend that the Exchange provide a list of overseas regulatory authorities acceptable to the Exchange under (c) of the definition of Regulated Entities, similar to the list of recognized jurisdiction schemes published by the SFC in relation to the Code on Unit Trusts and Mutual Funds (https://www.sfc.hk/en/Regulatory-functions/Products/List-of-publicly-offered-investment-products/List-of-recognised-jurisdiction-schemes-and-inspection-regimes). This list can be subject to review and update by the Exchange from time to time.</p> <p>We also propose that special purpose vehicles (SPVs) be permitted as issuer entities, provided they are backed by a guarantor that meets the “Regulated Entity” requirement.</p>
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? Please provide reasons for your views.
	We acknowledge the importance of credit ratings in supporting investor confidence. However, we raised a query regarding the necessity of mandating an investment grade rating from <u>all</u> credit rating agencies, in circumstances where the issuer or guarantor already satisfies other robust

	<p>eligibility criteria. In particular, where the entity is a regulated institution and meet the NAV requirement, we consider that such criteria already provide meaningful investor protection.</p> <p>We recommend the Exchange to consider mandating an investment grade rating from one CRA instead of ALL CRAs.</p>
13	<p>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))? Please provide reasons for your views.</p>
	<p>We have no objection to this proposal.</p>
14	<p>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? Please provide reasons for your views.</p>
	<p>The role of the Guarantor is to provide the credit support if the Issuer cannot satisfy the Issuer's eligibility requirements. Hence the obligation of the Guarantor should be limited to the financial performance under the guarantee. Therefore, we do not agree the Guarantor should be required to individually comply with the Listing Rules given its role. The Rules should be required to be complied solely by the Issuer for the listing of structured products on HKEx.</p>
15	<p>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? Please provide reasons for your views.</p>
	<p>We do not have objections to the requirement under (b).</p> <p>In respect of (a), we acknowledge the importance of credit ratings in supporting investor confidence, we question on the necessity of mandating investment grade ratings from all CRAs where the issuer or guarantor or the Holding Companies already meets other eligibility criteria, such as being a regulated entity and satisfying the NAV requirement, which already provide robust investor protection.</p> <p>We recommend the Exchange consider whether the proposed credit rating requirement may be duplicative in such cases, and whether a more flexible or risk-based approach could be adopted to avoid imposing unnecessary compliance burdens.</p>

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? Please provide reasons for your views.
	We have no objection to the proposal.
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? Please provide reasons for your views.
	We have no objection to this proposal.
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? Please provide reasons for your views.
	We acknowledge the intent behind the proposals to enhance flexibility and streamline the Rules. Currently the minimum service levels for liquidity provision are specified in the listing documents, which represents the issuer's obligations to investors in terms of liquidity provision requirements. We do not see any additional protection for investors by adding a specific obligation in the Rules on issuers to comply with the minimum service levels for liquidity provision specified in the listing documents. Hence, we propose the Exchange to retain the current approach where minimum service levels are defined in the listing documents.
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? Please provide reasons for your views.
	We acknowledge the Exchange's current practice of encouraging publication within three months and appreciate the intent to provide investors with timely access to financial information. However, we do not agree to codify this timing as a hard listing rule requirement which raises significant concerns from a regulatory compliance risk perspective without materially improving investor's protection. [REDACTED] consolidation and review of financial reports with internal governance processes are complex, and the requirement for translation for both English and Chinese will require additional time. While we strive to meet this 3 months' timeframe in practice, a rigid timeline in the Rules removes flexibility and increases compliance burden.

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? Please provide reasons for your views.
	We have no objection to this proposal.
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? Please provide reasons for your views.
	We have no objection to this proposal.
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? Please provide reasons for your views.
	While we acknowledge the need to inform investors of any liquidity provision service interruptions on a timely basis, we propose that the Rules be limited to disruptions affecting the minimum service level as disclosed in the SLD (i.e. QR). For cases of AQ failure or when certain exemption applies (e.g. Fast Market), it may not be possible to determine with certainty whether AQ has been breached before the end of the trading day, causing difficulty to make any disruption announcements on a timely basis.
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? Please provide reasons for your views.
	While we understand the importance of transparency for investors, some items that relates to corporate information of the issuers or guarantors may not be relevant to investors, such as items A (c), (e), and (f) in paragraph 160, while creating additional administrative burden for Issuers. Therefore, we suggest removing the requirements to make announcements for these items.
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? Please provide reasons for your views.
	We propose: <ul style="list-style-type: none"> • maintaining the current practice to inform the Exchange as soon as practicable on changes in credit ratings of issuers or guarantors.; • an announcement should be made only upon the Exchange's request, rather than imposing a blanket obligation for all rating changes. This ensures flexibility and avoids duplicative disclosures.; and • to focus on information that is most relevant to investors, the announcement requirement should apply only where all credit ratings drop below investment grade.
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? Please provide reasons for your views.

	<p>We propose to maintain the current practice whereby we inform the Exchange of the matters relating to the winding up and liquidation of the issuer and/or the guarantor and an announcement should be made upon request from the Exchange. We respectfully request the removal of the phrase “as soon as practicable” from the Rules, as it creates uncertainty for issuers in interpreting the expected timeline for compliance.</p>
26	<p>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? Please provide reasons for your views.</p>
	<p>We have no objection to this proposal. However, the publication of pre-listing trading reports is currently not required by the Exchange. We would appreciate clarification on whether we are expected to publish such reports. If not, we respectfully suggest including qualifying language such as “if necessary” or “if required by the Exchange” to clarify that such publication is not mandatory.</p> <p>In addition, we note that the proposed Rule does not address the circumstances where there are disruptions of the HKEX website or other technical failures. We would like the Exchange to consider including the exemption clause to mitigate the compliance risks under circumstances beyond the issuers’ control.</p>
27	<p>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? Please provide reasons for your views.</p>
	<p>We disagree with this proposal and propose to maintain the current practice to inform the Exchange on any change in credit ratings of issuers or guarantors and an announcement should be made upon request from the Exchange, with the announcement obligation limited to situations where all credit ratings drop below investment grade.</p> <p>We are also of the view that changes in rating outlooks should not trigger an announcement, as the outlook is not a credit rating itself and does not form part of the issuer’s eligibility requirements.</p> <p>We respectfully request the removal of the phrase “as soon as practicable” from the Rules, as it makes it difficult for issuers to understand the expected timeline for compliance.</p>
28	<p>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? Please provide reasons for your views.</p>
	<p>We do not have any objection on extending the requirement of informing the Exchange the change in credit rating to the Holding Companies where credit ratings of Holding Companies are relied upon by the issuers or the guarantors for eligibility assessment.</p> <p>However, as explained in our responses to Questions 24 and 27, we propose that an announcement should be made only upon request from the Exchange. In addition, we recommend that the obligation to announce such changes should be limited to instances where all credit ratings fall below</p>

	<p>investment grade and changes in rating outlooks should not trigger an announcement as credit rating outlooks are not stipulated as a requirement under rule 15A.13.</p> <p>We respectfully request the removal of the phrase “as soon as practicable” from the Rules, as it creates uncertainty for issuers in interpreting the expected timeline for compliance.</p>
29	<p>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? Please provide reasons for your views.</p>
	<p>We respectfully request the removal of the phrase “as soon as practicable” from the Rules, as it creates uncertainty for issuers in interpreting the expected timeline for compliance and any timing requirements for announcements from the Rules, as these are operational matters that should be agreed upon between the issuer and the Exchange.</p>
30	<p>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. Please provide comments on whether the drafting of the proposed amendments will give rise to any ambiguities or unintended consequences.</p>
	<p>We generally do not have objections to this proposal.</p>

	<p>However, if we already fulfill all eligibility requirements and opt to issue guaranteed issues, we are of the view that the role of the guarantor should be limited to provide a guarantee to investors on the settlement obligation of the Issuer. Mandating separate eligibility requirements assessment for both the issuer and the guarantor could make the guarantee mechanism redundant and unnecessarily restrictive.</p>
31	<p>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? Please provide reasons for your views.</p>
	<p>We agree with the Exchange’s proposal to streamline and modernise the documentation for structured products except (c).</p> <p>In respect of item (c), we respectfully request the Exchange to consider removing the words “<u>after the Launch Date</u>” to allow flexibility for the SLD to be published on the Launch Date. This would support a shorter issuance cycle in the future, enabling investors to access products with more favourable terms in a timely manner, particularly in response to market fluctuations.</p>
32	<p>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? Please provide reasons for your views.</p>
	<p>We have no objection to this proposal.</p>
33	<p>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. Please provide reasons for your views.</p>

	We have no objection to the proposal except (d). The closing price of the existing issue is not relevant to the investors, as such information becomes outdated upon the publication of the SLD. In our view, the inclusion of this information does not contribute meaningfully to investment decision-making and may therefore be omitted without detracting from the overall disclosure standards.
34	Do you agree with the proposal to not require the guarantor to apply for listing of Further Issues? Please provide reasons for your views.
	We have no objection to the proposal.
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? Please provide reasons for your views.
	<p>The exemption should not be limited to English and Chinese content on the index compiler's website. Investors can be made aware of the language used in index related information when trading a particular underlying index. For example, a risk disclosure statement could be included when the underlying is foreign, to highlight potential limitations in language accessibility. This approach can further enhance efficiency in expanding the range of foreign underlyings in the future. The Rules should not mandate inclusion of the third-party web links in the SLD, as such links may change without notice to the issuers.</p> <p>We respectfully request the Exchange to consider removing the additional information relating to the index such as historical high/low closing levels, index constituents and previous closing levels from the listing documents, as such disclosures may become outdated upon publication of the SLD and do not provide meaningful value to investors when making their investment decisions. This exemption should also apply to foreign underlyings as further elaborated in our response to Question 78 below.</p>
36	With the above proposal, do you agree with the proposal to remove the specific exemption for HSI from the Rule? Please provide reasons for your views.
	We have no objection to this proposal.
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? Please provide reasons for your views.
	We support the Exchange's efforts to enhance transparency and ensure fair conduct in the offering of Incentives. However we respectfully ask the Exchange to consider adding some flexibilities in the Rules to allow for future distribution reward scheme (not dependent on trading volume), that can be offered for broker-dealers. This may apply to certain type of listed structured products where investor education for new products are

	required and can encourage broker dealers to assign resources for product education and distribution efforts. Please refer to the FSDC Paper: FSDC Paper No 28 E.pdf (P.27, point 5.3(b)(iii))
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? Please provide reasons for your views.
	We agree with the proposal and believe it will enhance regulatory certainty and efficiency in the oversight of the listed structured products market in Hong Kong.
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? Please provide reasons for your views.
	<p>We 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 guarantor.</p> <p>A senior officer of the issuer or the guarantor is usually based offshore and may not be closely involved in the local operations as a licensed representative who is on ground. To address operational and regulatory issues promptly, we respectfully request the Exchange to consider allowing the appointment of a senior officer from within the issuer's/guarantor's group which is consistent with the current approach adopted for the unlisted equity linked investment programme with the SFC.</p>
40	Do you agree with the proposal that legal opinions of guaranteed issues should also confirm that: <ul style="list-style-type: none"> (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? Please provide reasons for your views.
	We respectfully invite the Exchange to reconsider the requirement for annual submission of legal opinions for guarantees that remain in force without amendment. A more proportionate approach—such as requiring updated opinions only upon material changes—would achieve the regulatory objectives while reducing unnecessary cost and administrative burden.
41	Do you agree with the proposal to require issuers to submit to the Exchange legal opinions confirming the following: <ul style="list-style-type: none"> (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? Please provide reasons for your views.
	<p>While we acknowledge the importance of ensuring legal validity and compliance, imposing this requirement on an annual basis may introduce unnecessary administrative burden to us with limited enhancements to investor protection.</p> <p>We recommend the Exchange to take a more proportionate approach to require updated legal opinions only upon material changes to our legal status, constitutional documents, or authorisations. This would achieve the regulatory objective while avoiding inefficiencies.</p>
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? Please provide reasons for your views.
	We do not have any objection to this proposal on the content requirement for legal opinions of collateralised issues. However, the legal opinion should be provided at the programme level to address the collateralised structure and should not be required on a per series basis.
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? Please provide reasons for your views.
	<p>We agree to provide the required legal opinions to be submitted to the Exchange in final form on the date of publication of their respective base listing document or standalone listing document.</p> <p>However, given the uncertainty around lead time required for liaising with the external legal counsel for the first draft of the legal opinion, particularly for foreign entities, we would like the Exchange to revisit the proposed timeline for submitting the first draft of the legal opinion. The timeline for submission should not be prescribed in the Rules, to allow flexibility for both us and the Exchange to agree on an appropriate timeframe.</p>
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? Please provide reasons for your views.
	We have no objection to this proposal.
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? Please provide reasons for your views.
	We have no objection to this proposal.

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? Please provide reasons for your views.
	We agree with the proposals at (a) and (b).
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? Please provide reasons for your views.
	We have no objection to this proposal.
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? Please provide reasons for your views.
	<p>We agree with the proposal to merge the MCE and residual value announcements.</p> <p>We note that the current process of preparing and uploading announcements involves significant manual effort on a daily basis and does not provide optimal accessibility for investors. To further enhance efficiency and accessibility, we suggest implementing a streamlined solution, such as enabling issuers to submit the data in a CSV format for automated updates on the Exchange’s website. This approach would significantly improve timeliness and reduce operational burden, while ensuring that investors receive accurate and up-to-date information promptly.</p> <p>Given the high volume of MCEs, it is important to further automate and streamline this process, with a view to enhancing operational efficiency. At the same time, it remains essential to uphold transparency and ensure timely dissemination of information to market participants.</p> <p>We respectfully request the removal of the phrase “as soon as practicable” from the Rules, as it creates uncertainty for issuers in interpreting the expected timeline for compliance.</p>
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? Please provide reasons for your views.
	Our warrants are in European style and will be automatically exercised at expiry without the need for the holder to deliver an exercise notice. The requirement for our products in this context is unclear. We would like the Exchange to clarify whether the announcement is only applicable for underlying under prolonged suspension that impact the cash settlement of products that expires during such suspension.
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? Please provide reasons for your views.

	We have no objection to this proposal but would like the Exchange to consider removing the phrase “as soon as practicable” from the Rules, as it creates uncertainty for issuers in interpreting the expected timeline for compliance. Timing requirements are operational issues to be agreed with the Exchange.
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? Please provide reasons for your views.
	We have no objection to this proposal.
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? Please provide reasons for your views.
	We would like to seek clarifications on whether the requirement to publish “full details of any other financial information which guarantors may provide to any other exchange or market” refers to publication of such information in full text – translation will provide upon request by the investors or an announcement with the link to such information would suffice. It will cause unnecessary administrative and compliance burden and costs on us. We also invite the Exchange to consider the practices of other exchanges where the filing of the unaudited interim financial statements is not required.
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? Please provide reasons for your views.
	We have no objection to the proposal.
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? Please provide reasons for your views.
	We have no objection to the proposal.
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? Please provide reasons for your views.
	We have no objection to the proposal.

56	Do you agree with the proposal to require issuers to comply with such relevant laws, regulations, rules and guidelines at all times? Please provide reasons for your views.
	We have no objection to the proposal.
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? Please provide reasons for your views.
	We have no objection to the proposal.
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? Please provide reasons for your views.
	We have no objection to the proposal.
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? Please provide reasons for your views.
	We have no objection to the proposal.
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. Please provide comments on whether the drafting of the proposed amendments will give rise to any ambiguities or unintended consequences.
	We are supportive with the proposed amendments that provide flexibility for the Exchange to publish additional lists of eligible underlying assets at shorter intervals when deemed appropriate. We respectfully seek the Exchange to consider applying the same proposed amendments for the eligible underlying stocks that are listed on foreign exchanges (i.e. foreign underlyings).
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. Please provide comments on whether the drafting of the proposed amendments will give rise to any ambiguities or unintended consequences.
	We welcome the proposal for the Exchange to publish additional lists of eligible underlying assets.
62	Do you agree with the proposal to repeal the requirement to include the parameters as set out in paragraph 291 in Launch Announcements? Please provide reasons for your views.
	We agree to repeal the requirement to include the parameters as set out in paragraph 291 in the Launch Announcements.
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? Please provide reasons for your views.
	<p>(a) We agree to remove the awarding date of credit rating from the disclosure requirements.</p> <p>(b) We propose the credit ratings of the issuer/guarantor be disclosed in the base listing document and the SLD include a reference to the issuer's or guarantor's website (or other appropriate source) where the most up-to-date credit ratings are published. This approach would ensure that investors remain informed of any changes to the credit standing of the relevant entities, while avoiding the need to update the SLD each time a rating is changed.</p>
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? Please provide reasons for your views.
	We suggest that the current Rules be maintained, on the basis that requiring additional legal advice on relevant insolvency laws may impose an undue burden on issuers. Where the existing disclosure framework is deemed sufficient to inform investors of the relevant risks, further requirements may not yield proportionate benefits and could increase compliance costs unnecessarily.
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? Please provide reasons for your views.
	We do not have any disagreement to this proposal but propose to keep the declaration by the issuer in the SLD and supplementary listing document succinct that <i>"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"</i> .
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? Please provide reasons for your views.

	We do not have any objection to this proposal.
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? Please provide reasons for your views.
	The listing of our products is supported by a SLD rather than a standalone listing document. We have no comments in respect of the proposal but would like to have some clarifications from the Exchange regarding the purpose of such standalone listing document.
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? Please provide reasons for your views.
	We do not agree to remove the current exemption to publish the documents in bilingual language. We recommend that issuers can retain the discretion to provide the translations in other language as they see fit or upon request by the investors. Consequently, the Chinese version should not be mandated as a compulsory requirement in the Rules.
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? Please provide reasons for your views.
	The listing of our products is supported by a SLD rather than a standalone listing document. We have no comments in respect of the proposal but would like to have some clarifications from the Exchange regarding the purpose of such standalone listing document.
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? Please provide reasons for your views.
	We do not have any objection to the proposal at this stage to uphold the Exchange’s regulatory oversight.
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”? Please provide reasons for your views.
	We do not have any collateralised structured products issued and agree with the proposal to impose generic requirements and generic references. For certain collateralised issuances in the market, we note that the collateral may be dynamically managed within a specific segregated account while the account is collateralised up to the market value of the relevant products. As such, it may not be practical for the collateral to be clearly identified to specific series of products at all times.

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 depository for collateralised structured products? Please provide reasons for your views.
	We have no comments on this proposal since it is aligned with the requirements for trustees/custodians appointed in relation to unlisted structured investment products under the SFC's Code on Unlisted Structured Investment Products (" SIP Code ").
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? Please provide reasons for your views.
	<p>We have not issued any collateralised structured products and note that this proposal imposes restrictions on the issuers' flexibility in the change of collaterals.</p> <p>While we acknowledge the importance of transparency and regulatory oversight, we are of the view that flexibility for imposing additional requirements in relation to collateralised structured products has been included the following proposed note under rule 15A.48:</p> <p><i>"The requirements set out in rule 15A.48 are not intended to be exhaustive. The Exchange may impose additional requirements in a particular case (including but not limited to a Further Issue as defined in rule 15A.52 below)."</i></p> <p>Therefore, we recommend that the Exchange reconsider Paragraph 8C of Appendix E5 to the Rules, in order to retain flexibility for accommodating prevailing market practices when our members plan to issue collateralised structured products in the future.</p>
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? Please provide reasons for your views.
	We do not have any collateralised structured products issued or have any specific operational experience to comment on the practical implications of this proposal. We propose that the drafting of the disclosure requirement should be generic under the proposed paragraph 24A of Appendix D1D to the Rules for us to discuss with the Exchange the specific content requirement in the future.
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? Please provide reasons for your views.
	We respectfully seek clarification on whether the proposal rules would restrict an issuer from withdrawing a listing where there are outstanding positions. We note that the terms and conditions set out in the BLD permit an issuer to early terminate the product under certain circumstances. We would appreciate confirmation that the exercise of such contractual rights would not be deemed inconsistent with the proposed rules, and that, following the early settlement of all outstanding positions pursuant to such termination, the issuer may proceed with the withdrawal of the listing without contravening the applicable requirements.

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? Please provide reasons for your views.
	We do not foresee any issues with this proposal.
77	Do you agree with the proposal to remove the Rules and requirements as set out in items (a) to (s) in paragraph 337? Please provide reasons for your views.
	We have no comments to this proposal.
78	Do you have any comments on whether the proposed housekeeping Rule amendments will give rise to any ambiguities or unintended consequences? Please provide reasons for your views.
	<p>We understand that these amendments aim to improve clarity and do not involve any change in policy direction.</p> <p>While we have some recommendation to the Rules that we would like the Exchange to consider:</p> <ul style="list-style-type: none"> • Para 15A.47(5) - it appears this rule applies to European-style products and is not applicable to American-style products. Please consider revising it. • Para 15A.56 (1) – we suggest removing the requirement to provide one original copy of the publication version (Eng + Chi) of the base listing documents to HKEX in view of the promotion of the paperless listing regime by HKEX. • Appendix D1D, para 5(b) & (c) – please consider removing the requirement for the auditor’s written consent as it is costly and unnecessary. Notably, other exchanges such as TWSE and SGX do not require issuers to provide such consent even the auditor’s report is reproducing in their listing documents. • Appendix D1D, para 20 – please consider removing the requirement for the inclusion of the information on the underlying company where such information is publicly available on the website of the relevant exchange/underlying company.