11 November 2025

BY E-MAIL

The Stock Exchange of Hong Kong Limited
8/F, Two Exchange Square,
8 Connaught Place, Central, Hong Kong

Consultation Paper on Proposed Enhancement to Structured Products Listing Framework

1 Background

1.1 The Asia Securities Industry and Financial Markets Association ("**ASIFMA**")[1], on behalf of the members of our Listed Structured Products Working Group, welcomes this opportunity to provide comments on the consultation paper on the proposed amendments to Chapter 15A of the Listing Rules governing the listing of structured products published by the Stock Exchange of Hong Kong Limited ("**Exchange**") on 30 September 2025 ("**Consultation Paper**").

1.2 We appreciate the Exchange's efforts to enhance the structured product listing framework to ensure it remains robust, fit for purpose and globally competitive in light of the evolving market dynamics and investor expectations.

1.3 This submission comprises thematic observations and recommendations (**Section 3**), as well as a consolidated industry responses to the list of questions in the questionnaire are set out in the **Annex A** and other industry recommendations at **Annex B**. An executive summary of our key thematic and specific recommendations is set out in **Section 2**. Individual members may also submit separate responses.

1.4 Unless otherwise specified, references to any "Paragraph" refer to the relevant paragraph in the Consultation Paper.

[1] ASIFMA is an independent, regional trade association with over 150-member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the GFMA alliance with SIFMA in the United States and AFME in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

2 Executive summary

We appreciate the Exchange's comprehensive consultation on the proposed amendments to Chapter 15A of the Listing Rules and recognise the significant impact these changes will have on shaping and strengthening Hong Kong's regulatory regime for listed structured products.

We fully support the Exchange's overarching objective to enhance competitiveness, market quality, investor protection, and operational efficiency in Hong Kong's structured products market.

As the amended Chapter 15A introduces detailed eligibility requirements and obligations for issuers and guarantors, we emphasise the critical importance of clarity and certainty to ensure smooth implementation and compliance. In this regard, we have provided several recommendations aimed at addressing potential ambiguities. We respectfully seek additional clarification and guidance on the following areas:

2.1 Clarification of Eligibility Requirements

Credit ratings by all CRAs (Rule 15A.18)

While the industry welcomes the relaxation to "investment grade ratings", the proposed requirement for all CRAs to assign such ratings is overly stringent and creates disproportionate barriers, as a single non-investment grade rating could disqualify otherwise strong issuers. This approach ignores the robust safeguards already provided by regulated entity status and minimum NAV requirements. We urge the Exchange to adopt a more balanced framework that avoids unnecessary constraints on market access while maintaining investor protection.

Acceptable jurisdictions (Rule 15A.13(3))

We also request clarification regarding the eligibility requirements for issuers and guarantors, particularly concerning the list of acceptable overseas regulatory authorities recognised by the Exchange. We recommend that the Exchange publish a clear and comprehensive list of recognised jurisdictions or establish objective criteria for assessing the acceptability of overseas regulators. This guidance would alleviate uncertainties for potential issuers and facilitate a more efficient approval process.

2.2 Compliance Obligations of Guarantors

Obligations of guarantors (Rule 15A.16(3))

We seek confirmation on the following points:

(a) the guarantor of a listed structured product is required to comply with the Listing Rules to the same extent as if it were the issuer, specifically regarding the issuer's obligations as outlined in the terms and conditions of the relevant structured products; and

(b) this requirement is not intended to impose additional obligations under the Listing Rules that are applicable to issuers or liquidity providers (such as liquidity provision and conduct-related requirements) upon the guarantor entity.

Acceptance of perpetual guarantees (Rule 15A.18 (3A))

The industry also notes the current restriction on perpetual guarantees which has been imposing significant and disproportionate administrative and compliance burdens on issuers and guarantors without enhancing investor protection. We respectfully urge the Exchange to accept perpetual guarantees. Properly executed perpetual guarantees are legally enforceable and provide the same protection as annually renewed guarantees, while annual renewal would create unnecessary administrative costs, especially for overseas guarantors.

2.3 Minimum Liquidity Service Levels Requirements (Paragraph 17(16A) of Appendix D1D)

The industry requests clarifications regarding the minimum liquidity service levels, specifically confirmation that:

(a) an issuer may choose to provide liquidity **through either** (i) Quote Request ("**QR**") or (ii) Active Quote ("**AQ**"). It is essential to clarify that it is not mandatory for an issuer to provide liquidity via AQ as per the minimum service levels prescribed by the Exchange; and

(b) the requirement for disclosure of minimum liquidity service levels in the listing documents should only pertain to the minimum service levels corresponding to the quotation method selected by an issuer.

2.4 Financial Disclosure Requirements (Paragraph 5 of Appendix E5)

Clarification on disclosure standards for financial statements

We seek clarification regarding the recent drafting changes to financial disclosure requirements. We understand that the amendments are intended as drafting refinements and are not meant to alter the current disclosure standards or reporting regime applicable to financial reporting.

Publication of documents in bilingual Chinese and English (Paragraph 309)

The industry respectfully urges the Exchange to reconsider the practical necessity of requiring documents (a) to (d) (ie directors' reports and financial statements) to be published in both English and Chinese in their entire full text.

Mandating full bilingual translations of directors' reports and financial statements would impose disproportionate costs on global issuers relative to the limited benefits for investors, given that updated financial information is already included in bilingual offering documents. Such requirements risk deterring participation by institutions from non-Chinese speaking jurisdictions and could undermine Hong Kong's competitiveness and attractiveness as an international financial centre for listed structured products.

3. Thematic comments

3.1 Proposals to increase market competitiveness

We support the Exchange's policy objective to foster sustainable growth of the structured products market and to reinforce Hong Kong's position as a leading international financial centre.

The industry welcomes measures designed to broaden product diversity in response to evolving market dynamics and investor preferences, such as the proposed reduction of the minimum issue price for derivative warrants and the removal of the minimum issue price for CBBCs. At the same time, we emphasise that the proposals are inherently interconnected. To achieve the intended outcomes without introducing unintended risks, we propose some adjustments to the proposals to ensure a balanced and holistic implementation.

3.2 Proposals to enhance market quality and investor protection

We acknowledge the broad scope of the proposals under Chapter 3 in the Consultation Paper reflects the Exchange's commitment to strengthening market integrity and fostering a more robust environment for both issuers and investors.

While we understand that these proposals are not intended to impose onerous obligations on issuers or guarantors, the industry has concerns regarding certain measures. We have gathered constructive feedback from our members on the practical implications of these proposals, identifying areas where further clarification or flexibility could help achieve the intended policy objectives.

3.3 Proposals to increase market efficiency

We welcome the Exchange's initiative to simplify and modernise the listing process for structured products. We note that the proposal generally aligns with current market practice with proposed adjustments to streamline the listing process. With appropriate clarification and guidance, we believe the proposed changes will enhance efficiency without compromising transparency or investor protection.

In respect of the adjustments to the current listing documentation and listing process, the industry would like to highlight the importance of certainty and comprehensive guidance throughout the implementation process. In this regard, we seek further implementation guidance to ensure smooth transition and operational certainty for issuers.

4 Conclusion

We appreciate the Exchange's continued efforts to foster product innovation and market efficiency to ensure that the structured product listing framework remains fit for purpose and globally competitive.

We also support the Exchange's initiative to refine the listing framework for structured product that strikes an appropriate balance with the objectives of safeguarding market quality and investor protection whilst promoting market competitiveness and efficiency.

We look forward to continued engagement with the Exchange on the issues set out in this submission. If you have further questions or would otherwise like to follow up, please contact [redacted]

We would also be happy to meet with you to discuss this submission if you deem it appropriate.

Yours faithfully,

[redacted]

asifma
Growing Asia's Markets

Annex A

Consolidated industry responses to the list of questions in the questionnaire

Annex A - HKEX Chapter 15A Consultation – Consolidated industry responses to the list of questions in the questionnaire

No	Question/Draft 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.
	The industry is supportive of the proposal to lower the minimum issue price for DWs from HK$0.25 to HK$0.15. We believe this adjustment could enhance product diversity and flexibility, thereby promoting greater market efficiency and investor choice. We also highlight that the effectiveness of this proposal is contingent upon concurrent adjustments to the minimum maturity requirement. The proposed price reduction alone may not sufficiently address the concerns raised in Paragraph 36 of the Consultation Paper regarding the high proportion of emulation issues and the limited diversity in product terms. We recommend the Exchange consider aligning the minimum maturity period with the proposed lower issue price to ensure that the intended policy objectives are fully realised. If the minimum maturity requirement is no longer to be prescribed in the Listing Rules, we would appreciate clarification on whether and how such parameters will be reflected in the Product Summary Sheet or other relevant documentation.
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.
	The industry welcomes the proposal to remove the minimum issue price requirement for CBBCs. We agree that eliminating the minimum issue price could provide issuers with greater flexibility in product structuring and pricing, which may in turn enhance product diversity and better align with market dynamics and investor preferences. This change could also help facilitate innovation and responsiveness in the CBBC market without compromising investor protection, provided that appropriate safeguards remain in place through other regulatory mechanisms.
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.
	We appreciate the Exchange's proposal to lower the minimum market capitalisation at issuance for DWs and CBBCs from HK$10 million to HK$6 million, in light of the proposed changes to minimum issue price. We observe that this adjustment seeks to address

potential challenges arising from the removal or reduction of minimum issue price, which could otherwise result in an excessive number of units being issued.

While we support the objective of the proposal, the industry believes this is an opportunity for the Hong Kong market to adopt a more globally aligned and practical framework. We respectfully recommend reconsidering the use of market capitalisation or issuance value (issue size × issue price) as the metric for determining minimum issuance size.

Instead, we propose adopting "notional value" (an amount calculated by multiplying the number of the underlying stock referenced by the product and the initial spot price of that stock) as the primary and universal measure, complemented by product-specific minimum issuance shares. This approach reflects the true economic exposure of a structured product and ensures consistency across different product types as elaborated further below:

- **Global Alignment**: "notional value" is the internationally recognised standard for measuring derivatives and structured products. Using notional value would align Hong Kong with global practices and provide consistency across different product types.
- **Product-Specific Flexibility:** while "notional value" serves as a universal metric, the "minimum number of issuance shares" should be tailored to each product type to ensure practicality and liquidity.
- **Scope of Applicability:** this "notional value" approach is universal to all derivatives and structured products as a key risk and liquidity consideration. However, the "number of issuance shares" is not. Other products (eg Inline Warrants, Constant Leverage Certificates and Equity-Linked Investments products) may require different threshold of number of issuance shares due to structural differences.

Based on market experience of the industry, we propose the following thresholds (for DWs and CBBCs):

- **Minimum Notional Size for all products:** HK$15 million
- **(***For DWs/CBBCs only***) Minimum Issuance Shares:** 40 million shares

We recommend:

- Using **notional value as the universal minimum issuance metric**.
- Including **minimum issuance shares in the Product Sheet for applicable products (eg DWs/ CBBCs)**, similar to other prescriptive product terms, rather than in the Listing Rules. This ensures flexibility as new product types emerge.

We believe this framework will achieve the Exchange's objectives of risk management, market impact control, and international alignment, while accommodating the diversity of structured products in Hong Kong.

The industry is supportive of this direction and welcomes the opportunity to engage further with the Exchange to refine the details and ensure smooth implementation.

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.
	The industry is supportive of the proposal to expand the range of entitlement ratios for DWs and CBBCs to include two, eight, 20, 80, 200, 800, 1,000, and thereafter in multiples of 500 units per underlying share (or other security). The industry agrees that broadening the range of entitlement ratios can enhance product structuring flexibility and enable issuers to better tailor products to market demand and investor preferences. The industry is in favour of increasing the entitlement ratio from 1,000 upwards in multiples of 500, as proposed.
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 acknowledge the Exchange's objectives: (i) to enhance transparency and consistency in the issuance of Emulation Issues; and (ii) to facilitate price comparisons by mandating that an Emulation Issue to have the same product terms (except for issue price and issue size) as the existing issue. The industry supports the goal of improving market clarity and streamlining product comparisons. However, our members have expressed differing views on how best to achieve these objectives and raised concerns that mandating identical terms could lead to unintended consequences — such as concentration risk in extreme cases where multiple products share the same strike level and maturity. **Alternative Approach: Removing Emulation Issues if Broader Reforms Are Adopted** The industry advocates that the concept of Emulation Issues could be removed entirely if certain changes are implemented — lowering the minimum issue price to HK$0.15 and reducing the minimum maturity for DWs to three months. These changes would address many of the concerns that Emulation Issues were originally designed to mitigate, thereby simplifying the rules and issuance process for all stakeholders if the proposed reforms of lowering the minimum issue price to HK$0.15 and reducing the minimum maturity to three months are implemented for DWs, as these changes should be able to address many of the concerns that Emulation Issues were originally intended to mitigate. We take this opportunity to submit the industry's views regarding the proposed reduction of the minimum tenor for warrants from 6 months to 3 months. We believe that eliminating this requirement will significantly benefit both issuers and investors, fostering a more dynamic and competitive structured products market in Hong Kong.

1. Enhancing Product Diversity

One of the primary justifications for reducing the minimum tenor is to enhance product diversity. The current market landscape demonstrates a growing demand for shorter-tenor products. Reducing the minimum tenor will allow issuers to offer products that better align with investor preferences for shorter investment horizons. This flexibility will broaden the range of available products and better cater to diverse market needs.

2. Aligning with Investor Demand

Market observations indicate that tenors of 3 to 4 months are increasingly favoured by investors. This trend reflects a shift in investor behaviour towards shorter-term investments that allow for quicker responses to market changes and enhanced liquidity. By removing the minimum tenor, the Exchange can facilitate the issuance of DWs that meet these preferences, ultimately improving market participation and engagement.

3. Reducing Issuance Costs and Barriers

The removal of the minimum tenor can also contribute to reducing issuance costs for issuers. Shorter tenors typically result in lower costs associated with hedging and market-making activities. This reduction in costs can incentivise issuers to create a wider variety of products, thereby enhancing liquidity across different underlying stocks and contributing to a more robust market.

4. Addressing Concerns of Manipulation

While concerns have been raised regarding the potential for manipulation with smaller issue sizes, the removal of the minimum tenor does not inherently introduce additional risks. Instead, it provides issuers with the flexibility to manage their inventories more effectively, thus mitigating the risks associated with shorter product life cycles. The Exchange can implement additional safeguards to monitor trading activities and maintain market integrity.

5. Encouraging Innovation

The structured products market is characterised by rapid evolution and innovation. By removing the minimum tenor requirement, the Exchange would encourage issuers to experiment with new product designs and strategies, which could lead to the development of creative solutions that better serve market trends and investor needs. Product innovation is crucial for maintaining Hong Kong's competitive edge as a leading international financial center.

	Lowering the minimum tenor aligns with the Exchange's objectives of fostering competitiveness, enhancing market quality, and responding to investor demand. We strongly advocate for this reform. **If the Emulation Issue requirements are retained** Some members proposed a more flexible approach, whereby Emulation Issues could differ slightly from the original issue in terms of maturity (by one to five trading days) and exercise price (e.g. at least one spread lower for calls or higher for puts, or within a 0.5% range for non-listed underlying assets). This approach aims to preserve the original issuer's commercial position while encouraging greater product innovation and offering investors a broader range of choices. **Recommendation** In light of the range of our members' views, we respectfully invite the Exchange to consider whether the current Emulation Issue framework remains necessary in its proposed form, particularly in the context of broader reforms to product parameters. Should the framework be retained, we recommend allowing limited flexibility in certain product terms (such as maturity and strike price) within clearly defined thresholds to balance market efficiency, issuer fairness, and investor choice. The industry appreciates further discussions with the Exchange on refining the Emulation Issue regime to achieve its intended objectives without unduly constraining product innovation.
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.
	The industry is supportive of the proposal to determine the eligibility of ETFs as underlying securities for structured products based on the AUM, rather than public float capitalisation. The industry agrees that AUM is a more relevant and practical metric for assessing the liquidity and market significance of an ETF. AUM provides a clearer reflection of investor interest and the actual scale of the fund, which is particularly important in the context of structured product issuance. This change would also align the eligibility criteria more closely with international practices and facilitate the inclusion of a broader range of ETFs as underlying assets, thereby enhancing product diversity and investor choice. We support the Exchange's initiative to modernise and streamline the eligibility framework and believe this proposal represents a positive step in that direction.

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.
	The industry is supportive of the proposal to lower the eligibility threshold for an ETF to be used as the underlying security for structured products from HK$4 billion to HK$1 billion in AUM over the 60-day Qualifying Period. The shift to AUM as the eligibility metric is seen as a more relevant and practical measure of product scale and liquidity. The industry agrees that this adjustment, when combined with the proposed shift from public float capitalisation to AUM as the eligibility metric, is a pragmatic and market-aligned approach. ETF liquidity is supported by market makers with continuous quoting obligations, which mitigates concerns about reduced thresholds. It would allow a broader range of ETFs (particularly those with strong investor interest but smaller public floats) to be available as eligible underlying assets, thereby enhancing product diversity and market competitiveness without compromising on liquidity or investor protection. The reduced threshold will further promote product diversity and innovation. We support the Exchange's efforts to modernise the eligibility framework and believe the proposed threshold strikes an appropriate balance between flexibility and market integrity.
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 acknowledge the Exchange's intention to modernise the regulatory framework by removing prescriptive product terms from the Listing Rules and instead setting out permitted product terms through documents published from time to time by the Exchange, with the potential benefits of a more agile and responsive framework in response to market developments. While there is general support for the objective of enhancing flexibility and streamlining the rulebook, some members have expressed reservations about the proposed approach: • **Concerns about Consistency and Clarity**: removing prescriptive product terms from the Rules could lead to discrepancies between products linked to the same underlying asset but issued at different times. This may result in market confusion and reduce transparency for investors. There is also concern that changes to permitted product terms (particularly those affecting liquidity provision requirements) could cause operational challenges for issuers if such changes are implemented without sufficient prior notice or market consultation.

	• **Clarification Requested**: clarification on whether the proposed shift would encompass key parameters such as minimum issue price, issue size, and conversion ratios. Clear guidance on the scope of the permitted product terms and the process for updating them would be essential to ensure predictability and operational certainty. In light of these concerns, we recommend that: • The Exchange provide greater clarity on the scope of the permitted product terms and the governance process for their publication and amendment. • Adequate consultation and transition periods be built into any future changes to the permitted product terms to minimise disruption and ensure market participants have sufficient time to adapt. • Consideration be given to maintaining a baseline level of consistency across product issuances to avoid investor confusion and preserve market integrity. The industry welcomes further engagement with the Exchange to ensure that the proposed framework achieves its intended objectives while maintaining clarity, consistency, and operational feasibility.
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.
	The industry is supportive of the proposal to allow structured products (involving physical settlement of underlying assets) to include terms and conditions that provide for electronic transfer through settlement platforms approved by the Exchange. We recognise that enabling electronic settlement aligns with broader market trends towards digitalisation and operational efficiency. Allowing flexibility in settlement mechanisms could enhance the efficiency and resilience of post-trade processes, particularly as market infrastructure continues to evolve. However, we also want to highlight the importance of ensuring that any approved settlement platforms are robust, secure, and inter-operable with existing market infrastructure. It is also important that any changes to settlement practices are implemented with sufficient clarity, market consultation and adequate lead time to avoid operational disruptions to market participants.
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 appreciate the Exchange's continued efforts to strengthen the regulatory framework for structured product issuers. However, the industry has reservations regarding the proposal to increase the minimum NAV requirement for issuers from HK$2 billion to HK$5 billion.

	While the industry understands the Exchange's intention to ensure issuer financial soundness, we believe that the existing regulatory safeguards (particularly the requirement for issuers to be regulated entities subject to financial resources requirements (FRR)) should already have provided a robust framework for investor protection. In this context, the NAV threshold may be of limited incremental value. **Market Exposure Considerations**: Furthermore, we have noted that the market value of outstanding open interest in structured products is generally significantly below HK$5 billion, suggesting that the proposed threshold may be disproportionately high relative to actual market exposure. This may impose unnecessarily restrict participation by otherwise qualified and well-regulated issuers. **Comparison with the SFC's Code on Unlisted Structured Investment Products ("SIP Code**"): It is noted that the minimum NAV requirement for issuer/guarantor of unlisted structured products under the SIP Code is set at HK$2 billion, indicating this threshold is viewed as sufficient for investor protection for retail offering of structured products in Hong Kong. **International Comparisons**: The industry also observed that the proposed HK$5 billion threshold is considerably higher than comparable requirements in other international markets. This may deter credible new entrants, particularly those with strong regulatory credentials but smaller balance sheets. We respectfully invite the Exchange to reconsider this proposal with a more moderate adjustment — such as raising the threshold to HK$3 billion instead of HK$5 billion. One member also suggests the Exchange may explore a risk-based framework that evaluates the issuer's regulatory status, product risk profile, and actual market exposure, rather than applying a uniform NAV requirement across the market. We welcome further dialogue with the Exchange to explore a balanced approach that supports market integrity while preserving issuer diversity and competitiveness.
11	Do you agree with the proposal to impose a mandatory requirement that issuers must be Regulated Entities? Please provide reasons for your views.
	The industry generally supports the proposal to require structured product issuers (or, in the case of guaranteed issuances, the guarantors) to be regulated entities to strengthen investor protection and uphold market integrity. **List of overseas regulatory authorities acceptable to the Exchange**

	To enhance clarity and transparency of the requirements, we 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 the review and update by the Exchange from time to time in view of the latest legal, regulatory and other developments in each acceptable overseas regulatory authority and internationally, as well as the level of regulatory oversight, supervision, co-operation and assistance of the primary regulator and reciprocity accorded to the SFC with respect to the structured products. **SPVs as issuer entities** We understand that special purpose vehicles ("**SPVs**") continue to be permitted as issuer entities, provided they are backed by a guarantor that meets the "Regulated Entity" requirement. These measures would ensure consistent and transparent application of the rules, while allowing participation by reputable international issuers and maintaining Hong Kong's competitiveness as a leading structured products market.
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, the industry raised the question on the necessity of mandating investment grade ratings from all CRAs where the issuer or guarantor already meets other robust eligibility criteria, such as being a regulated entity and satisfying the NAV requirement, which already provide meaningful investor protection. **Reference to the SIP Code**

	Under the SIP Code, in addition to the NAV requirement, the issuer is only required to either (i) be a Regulated Entity; or (ii) have a credit rating which is one of the top three investment grades awarded by at least one rating agency of international standing and reputation which is acceptable to the SFC. 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.
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))? Please provide reasons for your views.
	Hybrid model While we acknowledge the importance of investor protection, the industry proposes a more flexible approach whereby the eligibility requirements may be satisfied collectively by the issuer and the guarantor on a hybrid basis (ie the issuer and the guarantor need not each independently satisfy all the requirements, provided that between them, all three criteria are met). We believe this hybrid model strikes a better balance between regulatory objectives and practical feasibility without compromising on investor protection. By allowing the issuer and guarantor to collectively satisfy the eligibility requirements, the Exchange can maintain robust standards for market integrity and investor confidence, while also accommodating the diverse circumstances of potential issuers and guarantors. This flexibility would help avoid unnecessary barriers to market participation and ensure that the eligibility framework remains responsive to evolving market conditions and issuer profiles. **Credit rating requirement** With respect to the credit rating requirement, the industry welcomes the relaxation from “one of the top three investment grades” to “investment grade ratings”. However, we note that the requirement has become more stringent, as the relevant investment rating was previously required from any CRA but is now required from all CRAs. This requirement effectively confers veto power to any individual CRA from which an issuer seeks a rating. For instance, if an issuer obtains ratings from three CRAs, a single non-investment grade rating from just one CRA would disqualify the issuer under the proposed rules, even if the other two CRAs assign a top-tier investment grade.

	An issuer (or in the case of guaranteed issuance, a guarantor) that qualifies as a Regulated Entity is already subject to comprehensive regulatory oversight by a competent authority, which provides assurance regarding its financial stability, internal controls, and compliance with relevant laws and regulations. We respectfully urge the Exchange to consider a more balanced approach to mitigate the risk of a single CRA's assessment unduly limiting market access for otherwise qualifying issuers, and retain the existing practice of accepting a rating from any CRA, given that the issuer or guarantor already satisfies other robust eligibility criteria on its regulated entity status and the minimum NAV requirement, which provide meaningful investor protection.
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? Please provide reasons for your views.
	We understand that: • this proposal is not intended to extend the guarantor's obligations beyond its financial responsibilities to perform the issuer's contractual payment/ delivery obligations in accordance with the contractual terms of the relevant listed structured products; and • this proposal seeks to address scenarios where an eligible issuer wishes to introduce a guaranteed issuance structure with a guarantor. In such cases, even if the issuer meets the eligibility requirements under the Listing Rules, the guarantor will also need to meet those requirements. **Members' Reservations and Concerns Regarding Part (b)** The industry has significant concerns about the practical implications and potential interpretation of part (b), particularly whether this could inadvertently create ambiguity around the scope of the guarantor's obligations. Additional clarification is needed to ensure the guarantor's role remains limited to financial support and does not extend to operational or regulatory obligations. **1. Practicality of Guaranteed Issues Where Issuer Already Complies** If the issuer already satisfies all eligibility requirements, it is unlikely to opt for a guaranteed issuance structure. The rationale for guarantees typically arises where the issuer falls short of one or more criteria and relies on the guarantor to bridge that gap. Requiring both parties to independently meet all requirements may render the guaranteed issuance structure redundant and unnecessarily restrictive. **2. Clarification of Exchange's Expectation**

	The consultation paper defines "Rules" as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board), not just Chapter 15A. This raises concerns about the breadth of compliance obligations imposed on both issuer and guarantor. We understand the Exchange does not expect both entities to comply with the full scope of the Rules (which could introduce disproportionate liability and compliance burdens—particularly for guarantors whose role is typically limited to credit support), and seek the Exchange's clarification on the industry's concerns. **3. Continuing Obligations** We note that Appendix E5 explicitly identifies which entity (issuer or guarantor) is responsible for each continuing obligation. For example, liquidity provision obligations under Paragraph 5A apply solely to issuers. We seek confirmation that these obligations will remain issuer-only and will not extend to guarantors. **Recommendation** We recommend: • clarifying that the guarantor's obligations remain limited to financial performance under the guarantee and do not extend to operational or regulatory obligations beyond those expressly stated; • confirming that continuing obligations such as liquidity provision apply only to issuers; and • considering whether requiring both issuer and guarantor to meet all eligibility criteria is necessary, given the purpose of guaranteed structures.
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? Please provide reasons for your views.
	We generally do not have objections to the requirement under (b). However, as aforementioned, in respect of (a), while we acknowledge the importance of credit ratings in supporting investor confidence, our members raised the 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. We respectfully invite the Exchange to consider whether the proposed credit rating requirement on top of the other eligibility requirements may be overly restrictive, and whether a more flexible or risk-based approach could be adopted to avoid imposing unnecessary compliance burdens.

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.
	The industry supports the implementation of a transitional period and respectfully requests that the Exchange consider extending this period. This extension should provide individual issuers and/or guarantors with sufficient time to update their internal controls and policies to ensure compliance with the new eligibility requirements. Depending on individual issuer groups' internal corporate governance and operational processes, in particular, global financial institutions with multiple jurisdictional presence are likely to require a longer transition period than 12 months. In addition to the proposed transition period, to reduce administrative burdens and enhance efficiency, it would be most practical and effective to align the transitional period with individual issuers' programme refreshment cycles.
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.
	The industry supports the proposal to clarify in the Rules that the Exchange's regulatory expectation that guarantors are not limited to ultimate Holding Companies to enhance certainty and clarity.
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. The industry requests clarifications regarding the minimum liquidity service levels, specifically: (a) an issuer may choose to provide liquidity through either (i) Quote Request ("**QR**") or (ii) Active Quote ("**AQ**"). It is essential to clarify that it is not mandatory for an issuer to provide liquidity via AQ as per the minimum service levels prescribed by the Exchange; and (b) the requirement for disclosure of minimum liquidity service levels in the listing documents should only pertain to the minimum service levels corresponding to the selected quotation method employed by the issuer. Our members have expressed the following views and concerns in response to the specific proposals: **1. Proposal to delete the minimum service level for quotation size (ie 20 board lots) from the Rules**

	• some members agree with removing the prescriptive quotation size requirement, noting it may allow more tailored product terms; • other members are cautious that removing the minimum quotation size from the Rules and shifting service level requirements to the listing documents and Exchange-published standards could lead to inconsistencies across products with the same underlying but issued at different times. This may cause market confusion and operational challenges, particularly if liquidity provision terms change over time; and • the industry expects further clarity from the Exchange on how the new arrangements would be implemented in practice. **Recommendation**: If the Exchange proceeds with this change, we encourage the Exchange to provide more detailed guidance and ensure consistency and operational feasibility in the application of these changes across similar products. **2. Proposal to mandate that the minimum service levels for liquidity provision specified in the listing documents must comply with the minimum service levels as published by the Exchange from time to time** The industry has major concerns and reservations as follows: • issuers emphasised the importance of maintaining the QR as the binding liquidity provision requirement, as currently stated in listing documents; • the AQ requirement, while referenced in industry principles, is not a contractually binding obligation and should not be elevated to a minimum service level contractually binding on issuers; and • it is important to retain materiality of impact assessment on any deviation from AQ, as opposed to imposing unqualified legal and contractual obligations with strict liability exposure without a transparent process and mechanism for submission by issuers to resolve disputes arising from day to day operational and/or system issues. **Recommendation**: We suggest retaining the current approach where minimum service levels are defined in the listing documents. **3. Proposal to add a specific obligation in the Rules on issuers to comply with the minimum service levels for liquidity provision specified in the listing documents** • issuers believe that the listing documents already impose enforceable obligations on liquidity provision; • there is concern about the potential blurring of roles between the issuer and the designated liquidity provider, especially where liquidity provision is operationally fulfilled by a third-party liquidity provider; and • the industry is of the view that maintaining a clear separation of responsibilities is critical for operational integrity and regulatory compliance.

	Recommendation: We recommend against adding a new rule. Instead, the Exchange could consider reinforcing existing disclosure and compliance mechanisms. **Conclusion** While we support the Exchange's broader goals of enhancing market competitiveness and efficiency, we urge caution in implementing these specific proposals. We recommend that the Exchange: • provide detailed implementation guidance; • ensure consistency across product issuances; and • maintain clarity in issuer obligations and liquidity provider roles. We welcome further dialogue with the Exchange to understand the regulatory rationale behind the proposal and the optimal approach of implementation.
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.
	The industry does not support the proposal to shorten the publication deadline from four months to three months under Paragraph 5(1)(b) of Appendix E5 to the Rules. While 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, codifying this timing as a hard listing rule requirement raises significant concerns from a regulatory compliance risk perspective. Specifically: **1. Hard Rule vs. Market Practice - Increased Risk of Regulatory Non-Compliance for Global Issuers** While the Exchange's practice of encouraging publication within three months is reasonable, embedding this as a mandatory rule is a different matter. Imposing a mandatory three-month deadline introduces material regulatory compliance risks for global issuer groups, even though many strive to meet this timeframe in practice. Large multinational issuers operate across multiple jurisdictions with complex consolidation, internal review, and governance processes, making a rigid deadline operationally challenging. A hard requirement removes flexibility and creates disproportionate compliance risk without materially improving investor protection. **2. Language and Translation Constraints**

	Issuers from non-English or Chinese speaking jurisdictions require additional time to prepare and translate interim financial reports into both English and Chinese. Compressing the timeline could compromise accuracy and disclosure quality. **3. Regulatory Consistency** The current four-month timeline aligns with the SIP Code which regulates public offering of unlisted structured products, and international norms. Maintaining consistency avoids unnecessary regulatory divergence and ensures fairness across all issuers. As a related point, we seek confirmation that interim financial reports may continue to be unaudited under the proposed framework.
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 seek clarification on whether it would be sufficient to publish only the consolidated financial statements of the guarantor in cases where the issuer and guarantor belong to the same group. We believe that this approach would help avoid duplication and reduce administrative burden, while still ensuring adequate disclosure for investors. We respectfully invite the Exchange to clarify this and provide guidance to ensure consistent application.
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.
	The industry does not have objections to this proposal to enhance regulatory supervision for investor protection. However, in respect of issuers or guarantors holding regulatory licences and operating in multiple jurisdictions globally, it would not be practical for them to inform the Exchange and publish announcements for every change in their regulatory status, and such disclosure does not necessarily enhance disclosure of information which is relevant to investors' decision. The industry therefore respectfully requests the Exchange to limit the notification and announcement requirement to changes in the regulatory status and/or scope applicable to an issuer or guarantor entity in Hong Kong or its place of incorporation.
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.
	The industry has provided the following views:

	(a) Announcement of Changes to Liquidity Providers or Their Particulars • The industry does not have objections to the proposal but seeks clarity on whether this requirement is intended to codify existing practices. • There is a practical concern that in certain cases (eg system failure), issuers may need to implement changes immediately to resume quoting, and only be able to publish the announcement subsequently. We seek clarification from the Exchange as to whether the proposal is intended to formalise current practices and allow flexibility in urgent operational scenarios where immediate implementation is necessary before announcement. **(b) Announcement of Disruption or Resumption of Liquidity Provision Services** • The industry questions whether a materiality threshold will be applied to determine when a disruption warrants public announcement. • There is concern about duplication with existing guidance, such as the Exchange's "Liquidity Provision Interruptions and Pricing Issues" note. We invite the Exchange to consider providing further guidance on the materiality threshold for disclosure and clarify how this new requirement aligns with or differs from existing practices and guidance.
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.
	Removal of corporate information of the issuers or guarantors which have limited relevance for investors decision making While we support enhancing transparency and investor protection, we suggest removing the requirements to announce items which are corporate information of the issuers or guarantors (eg items (c), (e), and (f) from item (A) of paragraph 160). We understand that these information items have limited relevance for investors decision making and the proposed requirements for the issuers to announce these items would introduce unnecessary administrative burden to issuers without delivering proportionate benefits. We recommend the Exchange streamline the announcement requirements and ensure that investors receive the most pertinent information to make informed investment decisions. We welcome further dialogue with the Exchange to understand the regulatory rationale behind the proposed matters as set out in item (A) of paragraph 160.
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 support the objective to improve transparency and investor protection. However, we believe that streamlining announcement requirements will ensure investors receive the most relevant information necessary for making well-informed investment decisions. In this regard, the industry proposes: • maintaining the current practice to inform the Exchange as soon as practicable on changes in credit ratings of issuers or guarantors; and • rather than imposing a blanket obligation for all rating changes, that an announcement publication is required only (i) if the relevant change in credit rating constitutes, in the relevant issuer's opinion, an adverse change to its financial position or is otherwise necessary information to enable an investor to make an informed investment decision in its products; or (ii) if otherwise upon the Exchange's request. This ensures flexibility but strikes a good balance between transparency and relevance for investors' investment decision.
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.
	The industry agrees that the matters relating to issuers' and/or guarantors' winding up and liquidation as set out in item (C) of paragraph 160 are relevant for investors' continuous assessment of issuers' and/or guarantors' ability to perform their obligations under the structured products. In this regard, we have no objections to this proposal and suggest further guidance on the required disclosure in announcements.
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? Please provide reasons for your views.
	The industry supports the Exchange's proposal to modernise and streamline the trading reports process and generally support this proposal. **Additional clause to address technical disruptions** In addition, we note that the proposed Paragraph 10A of Appendix E5 to the Rules does not address the circumstances where there are disruptions of the HKEX website or other technical failures. The industry submits that Paragraph 10A of Appendix E5 to the Rules should include exemption clause to mitigate the compliance risks under circumstances beyond the issuers' control.
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? Please provide reasons for your views.

	As indicated in our response to Question 24, the industry proposes: • maintaining the current practice to inform the Exchange as soon as practicable on changes in credit ratings of issuers or guarantors; and • rather than imposing a blanket obligation for all rating changes, that an announcement publication is required only (i) if the relevant change in credit rating constitutes, in the relevant issuer's opinion, an adverse change to the issuer/ guarantor's financial position or is otherwise necessary information to enable an investor to make an informed investment decision in its products; or (ii) if otherwise upon the Exchange's request. Specifically, the industry is of the view that changes in rating outlooks **should not trigger** an announcement, as credit rating outlooks are not stipulated as a requirement under rule 15A.13. This ensures flexibility but strikes a good balance between transparency and relevance for investors' investment decision. We support efforts to improve transparency and investor protection. However, we believe that the streamlining announcement requirements will ensure investors receive the most relevant information necessary for making well-informed investment decisions.
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? Please provide reasons for your views.
	The industry has no objections to 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. However, as explained in our responses to Questions 24 and 27, the industry proposes that an announcement should be made only (i) if the relevant change in credit rating constitutes, in the relevant issuer's opinion, an adverse change to the Holding Company's financial position or is otherwise necessary information to enable an investor to make an informed investment decision in its products; or (ii) if otherwise upon the Exchange's request. Specifically, the industry is of the view that changes in rating outlooks should not trigger an announcement, as credit rating outlooks are not stipulated as a requirement under rule 15A.13. This ensures flexibility but strikes a good balance between transparency and relevance for investors' investment decision.
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? Please provide reasons for your views.

	We agree that the winding up and liquidation events concerning the respective Holding Companies of the issuers and/or guarantors as set out in item (C) of paragraph 160 are relevant for investors' continuous assessment of issuers' and/or guarantors' ability to perform their obligations under the structured products. In this regard, we have no objections to this proposal.
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. Please provide comments on whether the drafting of the proposed amendments will give rise to any ambiguities or unintended consequences.
	We generally do not have objections to this proposal. ***Clarification on (c) – withdrawal of the listing of existing products*** In respect to (c), we seek clarification regarding the specific circumstances under which the Exchange may require an issuer to withdraw the listing of existing products that are wholly held by the issuer or members of its group. ***Clarification on (d)(ii) - "fails to properly issue and manage structured products issue"*** In respect to (d)(ii), as this is not included in the existing Chapter 15A, it would be helpful if the Exchange could provide more guidance on the factors that the Exchange will take into consideration when forming such an opinion. We believe this clarification would allow our members to understand the relevant requirements and the rationale behind to ensure compliance.

	Clarification on (f) – individual assessment on each of the issuer and the guarantor Furthermore, in respect to (f), if the issuer already individually satisfies the Rules, it is unlikely that the issuer would opt to issue guaranteed issues. The rationale for guaranteed issues typically arises where the issuer falls short of one or more eligibility criteria, and the guarantor is relied upon to bridge that gap. If the issuer already fulfills all eligibility requirements and opts 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 guaranteed mechanism redundant and unnecessarily restrictive.
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? Please provide reasons for your views.
	The industry welcomes the Exchange's initiative to streamline and modernise the documentation approach for structured products. We believe the proposed changes will enhance efficiency while upholding transparency or investor protection.
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? Please provide reasons for your views.
	The industry welcomes the Exchange's initiative to modernise and streamline the listing process for Further Issues. Specifically, we strongly support the proposal to accept simplified versions of SLDs, where unchanged information from previous SLDs need not be reproduced. We respectfully invite the Exchange to consider: • providing a standardised SLD template for Further Issues to ensure consistency and ease of compliance; and • revisiting the necessity of the template checklist requirement for Further Issues, as its removal could further streamline the process without compromising disclosure quality.
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. Please provide reasons for your views.
	The industry is supportive of this proposal in relation to the proposal in Question 32.
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.
	The industry welcomes this proposal for the following reasons: • guarantors are not involved in the listing application of the existing issue. Extending this approach to Further Issues is logical and consistent with established market practice; • removing the requirement for guarantors to participate in the listing application of Further Issues will significantly reduce administrative workload for guarantors; and • the guarantor's role and obligations remain unchanged under the guaranteed structure, excluding them from the listing application does not affect investor protection.
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.
	The industry welcomes and strongly supports this 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. Reasons for our views: • **Streamlining Documentation**: Extending this exemption beyond the Hang Seng Index will significantly reduce duplication of information and simplify listing documentation. This will improve efficiency for issuers and align with market expectations for concise and relevant disclosures.

	• **Enhancing Accessibility**: Providing a direct web link ensures investors can access the most up-to-date index information in both English and Chinese. This approach promotes transparency without imposing unnecessary administrative burdens on issuers.
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.
	The industry is supportive of this proposal to remove such exemption as a consequence of the proposal in Question 35.
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.
	The industry supports the Exchange's efforts to enhance transparency and ensure fair conduct in the offering of Incentives. These proposals, if implemented with clear guidance, can help maintain market integrity while allowing commercial flexibility. We encourage the HKEX to provide further clarification and guidance on the scope and implementation of these proposals to ensure consistency with existing rules and practices. Our specific response to the following proposals: **(a) Allowing securities dealers (that are also issuers) to offer Incentives subject to safeguards, including that Incentives will not be recovered by the issuer's securities dealing units from their structured product issuance units** The industry supports this proposal as it promotes a level playing field among issuers and enhances commercial flexibility. The safeguard preventing internal cost recovery between business units is seen as a reasonable measure to ensure proper segregation of roles and responsibilities. **(b) Requiring that incentives relating to specific structured products be in the form of fee discounts**

	The industry seeks clarification on the meaning of "incentives relate to specific structured products," particularly in light of safeguards under paragraphs 202(a) and 202(b). It is important to ensure that the spirit of rule 15A.24A remains unchanged and that any new interpretation does not inadvertently restrict current practices. **(c) Requiring disclosures in listing documents and publicity materials alerting investors to the offering of Incentives and advising them to make investment decisions independently of such benefits** Issuers acknowledge the importance of investor transparency but seek clarity on whether such disclosures would be required across all issuers' products or only where incentives are offered. **(d) Clarifying the definition of issuer's group and replacing "close associates" with "members of an issuer's group"** Issuers seek confirmation that the revised definition will not expand compliance obligations beyond current expectations as the coverage of members of an issuer's group may be too wide and lead to practical difficulty for the issuers to implement controls for compliance.
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 support the proposal to define "structured product" in the Rules by reference to the meaning under the SFO, and to remove the generic descriptions of structured products and underlying assets currently set out in the Rules. Reasons for our views: • **Regulatory Consistency and Certainty**: Aligning the definition in the Rules with the SFO ensures consistency across regulatory frameworks. This provides clarity to market participants and reinforces that structured products listed on the Exchange are subject to the SFO regime for law enforcement and investor protection. • **Proven Regulatory Framework**: The definition of "structured products" under the SFO has been in operation for over a decade and has supported an efficient and well-functioning market. The SFO regime has a strong track record of robust regulation, which has safeguarded market integrity and investor confidence. • **Avoiding Confusion and Arbitrage**: Maintaining alignment with the statutory definition helps avoid regulatory confusion or potential arbitrage that could arise from divergent definitions between the Rules and the SFO. A single, authoritative definition minimises interpretational risk and promotes a level playing field.

	• **Flexibility Through Legislative Updates**: By referencing the SFO's definition "as amended from time to time," the Rules will automatically reflect any legislative updates, ensuring that the regulatory framework remains current without requiring frequent rule amendments. We agree with the proposal and believe it will enhance clarity, consistency and regulatory efficiency for the regulation of 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.
	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. Reasons for our views: • **Practicality for Global Institutions**: For global institutional groups, it would impose an extreme burden for a board member to assume the authorised representative role. Directors typically operate at a strategic level and may not have the local business knowledge required to effectively manage day-to-day communication with the Exchange on structured product matters. • **Proximity to Business Operations**: A senior officer is generally more closely involved in the Hong Kong structured products business and therefore better positioned to address operational and regulatory issues promptly. This proximity enhances responsiveness and ensures that communication with the Exchange is efficient and informed. • **Governance and Efficiency**: Requiring a director to take on this role could create unnecessary governance complexity and delay, without delivering meaningful benefits to investor protection or regulatory oversight. Allowing a senior officer to serve as the authorised representative strikes a more practical balance between accountability and operational effectiveness. We support the proposed change and believe it will improve efficiency and reduce administrative burden while maintaining robust communication standards.
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? Please provide reasons for your views.
	Potential administrative burden from the annual legal opinion requirements Based on the proposed rule 15A.50 that "*the required legal opinions must be submitted to the Exchange in draft form at the time of submission to the Exchange of the first draft of the base listing document or stand alone listing document and a copy in its final form must be submitted to the Exchange on the date of publication of the base listing document or stand alone listing document*", we understand that the Exchange intends for the legal opinions to constitute an annual requirement as part of the base listing document update. If the Exchange were to accept perpetual guarantees (rather than guarantees limited to a 12-month term), the need for annual legal opinions becomes even less compelling. Reconfirming matters that have not changed does not materially enhance investor protection, yet it increases compliance costs and operational inefficiency. 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: (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.
	We understand the Exchange intends for the legal opinions to constitute an annual requirement as part of the base listing document update. We believe these confirmations are already addressed at the time of programme setup and should only be revisited if there is a material change in the issuer's legal status or governing documents. While we acknowledge the importance of ensuring legal validity and compliance, imposing this requirement on an annual basis may introduce unnecessary administrative burden to the issuers with limited enhancements to investor protection.

	A more proportionate approach would be to require updated legal opinions only upon material changes to the issuer's legal status, constitutional documents, or authorisations. This would achieve the regulatory objective while avoiding inefficiencies. In respect to (d), the industry welcomes further guidance from the Exchange on the meaning of "*such other matters as the Exchange shall require depending on the circumstances of the issuer"* which would be helpful to enhance the issuers' understanding of the requirements. Clear parameters would enhance issuers' understanding and compliance. We respectfully invite the Exchange to reconsider the annual requirement and adopt a materiality-based approach, coupled with clearer guidance on discretionary matters under (d).
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 objections to this proposal on the content requirement for legal opinions of collateralised issues. In respect to (c), we believe that additional guidance from the Exchange on the meaning of "*such other matters as the Exchange shall require depending on the circumstances of the issuer*" would be helpful to enhance the issuers' understanding of the requirements.
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.
	Please refer to our submissions in Questions 40 and 41 regarding the annual requirement to submit the opinions. If the Exchange considers that the annual requirement is necessary, the industry agrees 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 stand alone listing document. 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, the industry would like the Exchange to revisit the proposed timeline for submitting the first draft of the legal opinion (ie at the time of submission of their respective first draft of the base listing document or stand alone listing document) to allow flexibility for the issuer and the Exchange to agree on an appropriate timeline for submission.

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.
	The industry supports the proposal to consolidate the continuing obligations into Appendix E5 to the Rules. We agree that this could facilitate the stakeholders to access comprehensive information and enhance their understanding of these requirements.
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 note that the proposal introduces flexibility to update the factors for assessing the suitability of structured products linked to overseas stocks in response to evolving market conditions. This is a positive step towards ensuring that the framework remains relevant and adaptable to market developments. Based on our understanding that the Exchange's approach to assessing the suitability of underlying assets will remain unchanged, the industry believes that would maintain consistency while allowing timely updates to the list of general factors. Accordingly, we do not have any objections 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.
	The industry agrees with the proposals as: • the proposal in (a) aligns with the Exchange's expectation and current practice; and • the proposal in (b) streamlines the process for trading arrangements announcements.
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.
	The industry welcomes this proposal to allow publication of announcements to notify investors of disruption and resumption of liquidity provision services during trading hours for them to make alternative arrangements with issuers for the trading of the affected structured products, provided that this remains optional rather than mandatory.

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.
	We welcome the proposal to merge the MCE and residual value announcements, as this will promote greater operational efficiency. **Further streamlining the MCE announcement process** The industry notes 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. Given the high volume of MCEs, it is important to further automate and simplify this process, while maintaining transparency and timely disclosure for market participants.
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.
	The industry understands that this proposal aligns with the current practice. We do not have objections to this proposal to clarify the Exchange's regulatory expectation on the content requirements for the announcement concerning exercise of rights of holders of structured products.
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.
	The industry does not have objections to this proposal as it aligns with the current practice.
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.
	The industry supports this proposal as it aligns with the requirements with respect to issuers and guarantors in the Rules.

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.
	While the industry supports the objective of enhancing transparency in relation to the financial status of the guarantors of structured products, (a) the industry suggests a clarification 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 (i) publication of such information in full text with translation or (ii) providing investors with hyperlink to such updated financial information would suffice. The former requirement under (i) would be impracticable and extremely burdensome and cause unnecessary administrative and compliance burden and costs to the issuers; and (b) as a number of our members' guarantor's interim financial statements are not otherwise published, the proposal to require guarantors to prepare interim financial reports under their usual accounting policies would create substantial increased compliance burden without a corresponding benefit to investors, particularly where the guarantor is already subject to robust regulatory oversight. We respectfully request the Exchange to provide flexibility or exemptions in cases where a guarantor is a regulated entity and where the relevant financial information is not otherwise required to be prepared or disclosed in its home incorporation jurisdiction nor its ordinary course of business.
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.
	The industry does not have objections to this proposal which allows the Exchange to review, and comment on any proposed changes where there are regulatory concerns, prior to the publication of the announcement before the effective date of such changes.
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.
	The proposal aligns with the Exchange's current expectations and reflects prevailing market practice and standards. The industry does not have objections to the proposal to enhance clarity of the Exchange's expectations.

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.
	The industry does not have objections to the proposal as it aligns with the Exchange's current expectations and reflects prevailing market practice and standards.
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.
	The industry does not have objections to the proposal as it aligns with the Exchange's current expectations and reflects prevailing market practice and standards.
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 support this proposal to safeguard the interests of investors by reducing potential conflict of interests.
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 support this proposal as it aligns with the Exchange's expectation that all issuers of non-collateralised structured products (including government or government-backed entity) should fulfill the same issuer eligibility requirements.
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 support this proposal as it aligns with the notification requirements with respect to issuers regulated by Hong Kong regulatory authorities.
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 welcome the proposed amendments that provide flexibility for the Exchange to publish additional lists of eligible underlying assets at shorter intervals when deemed appropriate. This approach enhances market responsiveness and ensures that issuers and investors

	have timely access to updated information, thereby supporting efficient product development and promoting transparency in the marketplace.
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. This approach enhances market responsiveness and ensures that issuers and investors have timely access to updated information, thereby supporting efficient product development and promoting transparency in the marketplace.
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 that the parameters, including implied volatility, gearing, effective gearing, premium and yield may fluctuate and change on the listing date due to prevailing market movements and have limited reference value for investors' investment decision. We welcome the proposal to repeal the requirement to include these parameters, as detailed in paragraph 291 in Launch Announcements. The removal of this requirement would help prevent investors from being misled by potentially outdated information in the listing documents when making investment decisions.
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.
	(a) The industry welcomes the proposal to remove the awarding date of credit rating from the disclosure requirements. (b) To streamline the disclosure approach, some of our members suggest disclosing the credit ratings of the issuers/ guarantors/ issuers' or guarantors' Holding Companies in the base listing document and including a reference to the website containing the up-to-date credit ratings of the issuers/ guarantors/ issuers' or guarantors' Holding Companies in the SLD/supplementary listing documents to keep investors informed of the latest long-term credit ratings
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.

	The industry does not have objections to this proposal.
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 acknowledge the intent behind the proposal to enhance certainty to investors in respect of the truthfulness, accuracy and completeness of information contained in the SLD and supplementary listing document. We propose to keep the declaration by the issuer in the SLD and supplementary listing document succinct 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*" to strike an appropriate balance between investor protection and practical responsibilities of issuers.
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.
	The industry supports the underlying rationale of this proposal, which aims to strengthen investor protection and aligns with the Exchange's prevailing practices. We do not have objections 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 industry does not currently launch stand alone issuance. Noting that the proposal aligns the display requirements of all types of listing documents under the Rules, we have no comments in respect of the proposal at this stage.
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 respectfully urge the Exchange to reconsider the practical necessity of requiring documents (a) to (d) (ie directors' reports and financial statements) to be published in both English and Chinese in their entire full text. The mandatory bilingual requirement should be limited to documents (e) to (h) in paragraph 309 — namely, the offering documents for the relevant products.

	Importantly, Hong Kong's offering regime already requires updated financial statements to be specifically included in product offering documents, which are published in bilingual English and Chinese language, ensuring compliance with regulatory disclosure standards and enabling investors to make informed decisions. In our view, mandating full translations of these financial documents beyond what is already included in the offering documents would impose a substantial and disproportionate burden on global issuers without delivering commensurate benefits to investors. Hong Kong's position as an international financial centre depends on maintaining a competitive and efficient regulatory environment. Imposing bilingual requirements for all financial reports is onerous, significantly increasing compliance costs for global issuers. These additional costs may not translate into meaningful value for investors and could ultimately undermine Hong Kong's attractiveness as a global venue for listed structured products.
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 industry does not currently launch stand alone issuance. On the understanding that the proposal is to clarify the Exchange's expectation and provides certainty as to the requirements of the draft listing documents, we have no comments in respect of the proposal at this stage.
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.
	As the industry does not currently issue collateralised structured products, we do not have direct experience with the operational impact of this proposal. We have no objections of the proposals 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 "depositary" 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.

	While the industry does not currently issue collateralised structured products, we agree with the proposal to impose generic requirements and generic references.
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? Please provide reasons for your views.
	The industry notes that this proposal aligns with the requirements for trustees/custodians appointed in relation to unlisted structured investment products under the SIP Code. We have no further comments on this proposal at this stage.
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.
	While the industry does not currently issue collateralised structured products, we note that this proposal imposes restrictions on the issuers' flexibility in the change of collaterals. 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: *"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)."* 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 the industry plans to issue collateralised structured products in the future.
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.
	While we acknowledge the importance of transparency and investor protection, the industry does not currently issue collateralised structured products and does not have specific operational experience to comment on the practical implications of this proposal. We note that the proposed information of the collaterals to be disclosed is not required for unlisted structured products under the SIP Code.

	We propose that the drafting of the disclosure requirement should be generic under the proposed paragraph 24A of Appendix D1D to the Rules for the industry to discuss with the Exchange the specific content requirement for the information on the collateral required to be included in the listing documents when the industry intends to issue collateralised structured products in the future. We believe this flexibility would be beneficial for the Exchange to consider the current market practices by that time, ensuring that investors receive all necessary information to enable them to make an informed assessment of the collateralised structured products without imposing unnecessary burdens on the issuers.
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 welcome the proposal to amend the Rules to clarify that "*members of the issuer's group*" includes any of its holding companies, subsidiaries, fellow subsidiaries, and any associated companies of any of them. We agree that this clarification will enhance clarity of rule 15A.83.
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.
	The industry does not foresee any significant concerns with this proposal to align the notification requirement between issuers and liquidity providers provided that the notification process does not create unnecessary administrative burden for issuers or liquidity providers.
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.
	The industry has no comments in respect of the proposal to remove the Rules and requirements set out in items (a) to (s) of paragraph 337 to help streamline the regulatory framework and remove outdated or redundant provisions.
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.
	The industry does not have comments on the proposed housekeeping Rule amendments on the understanding that these amendments aim to improve clarity and do not involve any change in policy direction.

Annex B

Other industry recommendations

Annex B - HKEX Chapter 15A Consultation – Other industry recommendations

In addition to the responses provided to the specific questions set out in the Exchange's consultation questionnaire, the industry wishes to take this opportunity to submit our supplementary recommendations for the Exchange's consideration.

These proposals reflect industry perspectives and practical experience, and are intended to support ongoing development and effective implementation of the structured product listing framework. The objective is to foster a robust, efficient, and competitive market environment that benefits all stakeholders in the market.

Relevant rules	Proposal
Existing Rule 15A.20 (Proposed new Rule 15A.18(3A)) – *preclusion of perpetual guarantee*	It has been a requirement that a guarantee cannot be covering structured products issued beyond one year from the date of the guarantee. This effectively precludes the acceptance of perpetual guarantees, commonly used for guaranteed structured product programmes. We respectfully submit that this proposed amendment imposes a significant and disproportionate compliance burden on issuers and guarantors, without a corresponding enhancement in investor protection, for the following reasons: • **(validity and legal effectiveness of perpetual guarantees)** a perpetual guarantee, properly executed and remaining legally enforceable under the relevant governing law, offers equivalent legal protection as an annually-renewed guarantee. The enforceability of such guarantee is a matter of law, irrespective of the frequency of its renewal. Retail investors' protection would not be compromised by accepting perpetual guarantees; • **(disproportionate administrative and compliance costs)** mandating the procurement of a new guarantee and a fresh legal opinion each year will result in a substantial increase in administrative and compliance costs, particularly for issuers whose guarantors are located outside Hong Kong, which is not justified by any material enhancement to investor protection; and • **(no equivalent requirement in the SIP Code)** the Securities and Futures Commission's Code on Unlisted Structured Investment Products ("**SIP Code**") does not impose a corresponding annual guarantee renewal requirement for unlisted structured products. The proposed annual renewal requirement introduces disparity between the regulatory standards applicable to listed and unlisted structured products. In the interests of maintaining the global competitiveness of the Hong Kong structured product market, we respectfully invite the Exchange to reconsider its position in accepting perpetual guarantees.