

FINI Updates and User Registration

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8 November 2022

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Agenda

From June 2023, all new listings on SEHK will begin using the new **FINI** platform.

User Registration for FINI has just started.

This webinar is for market participants who are involved in IPO settlement process, to help them get ready for the launch of FINI.

01 | FINI Recap

02 | Timeline to Launch

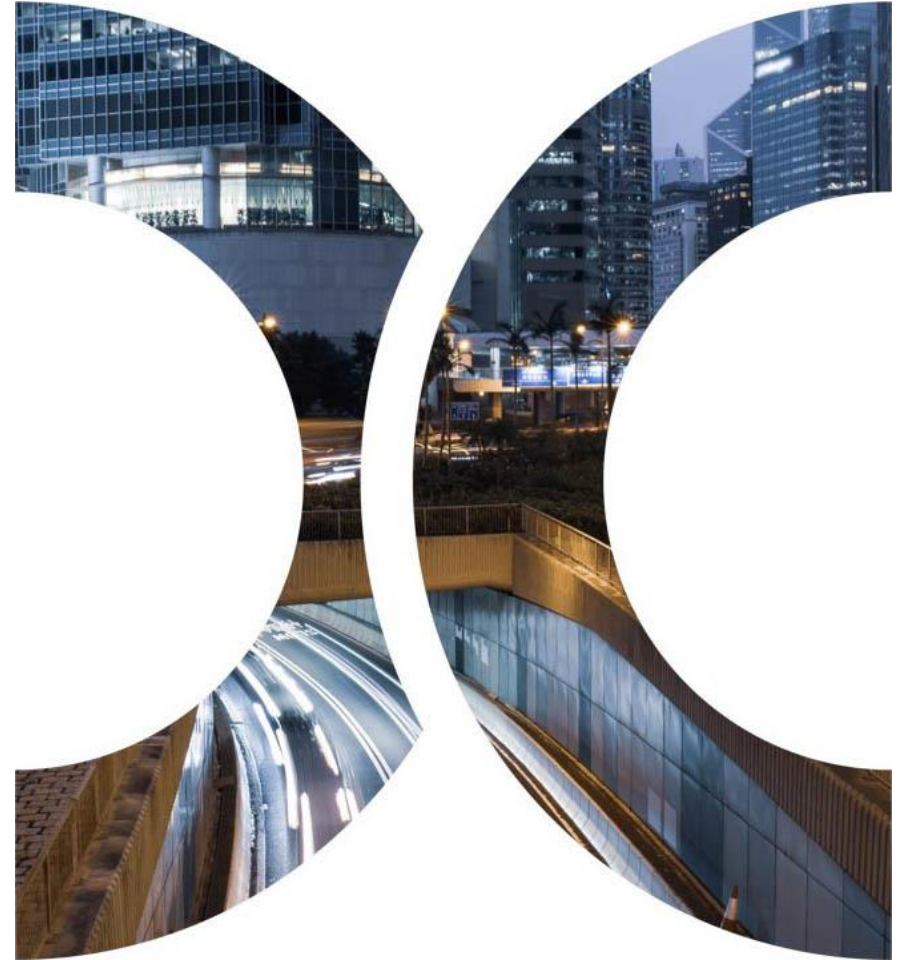
03 | How to Get Ready

- Registration
- Familiarisation & Testing
- Legal & Regulatory

04 | Contacts & Support

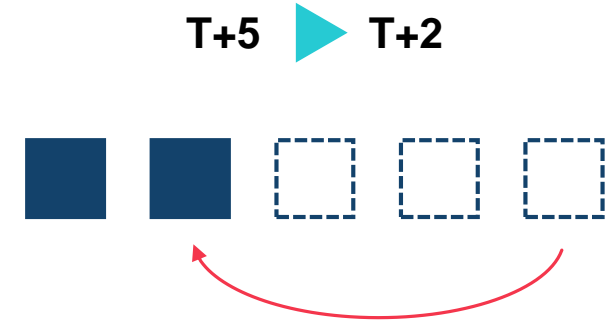


01 | FINI Recap



01 | FINI Recap

- FINI is a new web-based system developed by HKEX to provide a common market interface for HK IPO settlement
- Connects IPO market participants to HKSCC, Listing Division and the SFC via a single unified portal
- Replaces the CCASS EIPO terminal, physical placee lists and offline forms with streamlined & improved digital equivalents
- Allows new listings to start trading on T+2 instead of T+5 after the pricing date



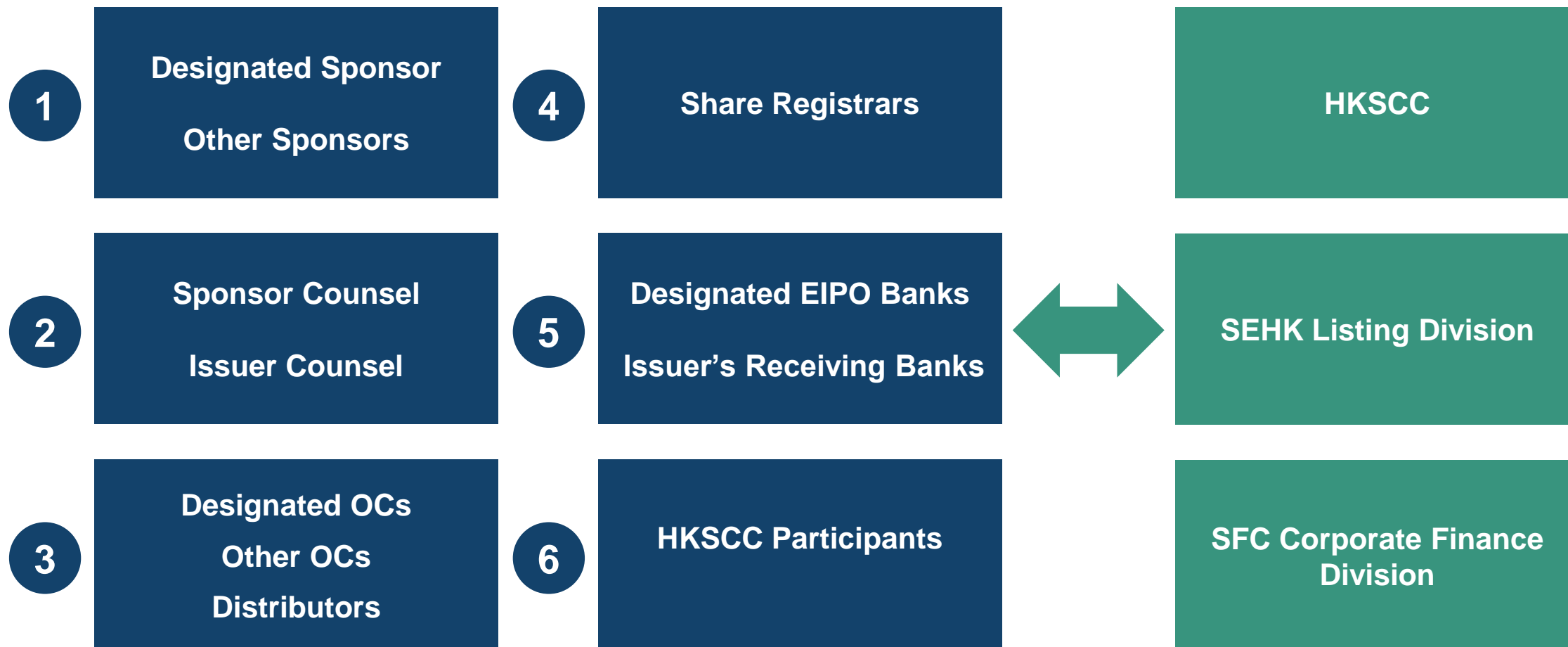
01 | Using FINI will be Mandatory for

- Primary listings
- Dual-primary listings
- Secondary listings
- Listings by Introduction
- SPACs
- GEM to Main Board transfers
- Trading resumption offerings
- Reverse Takeovers

of

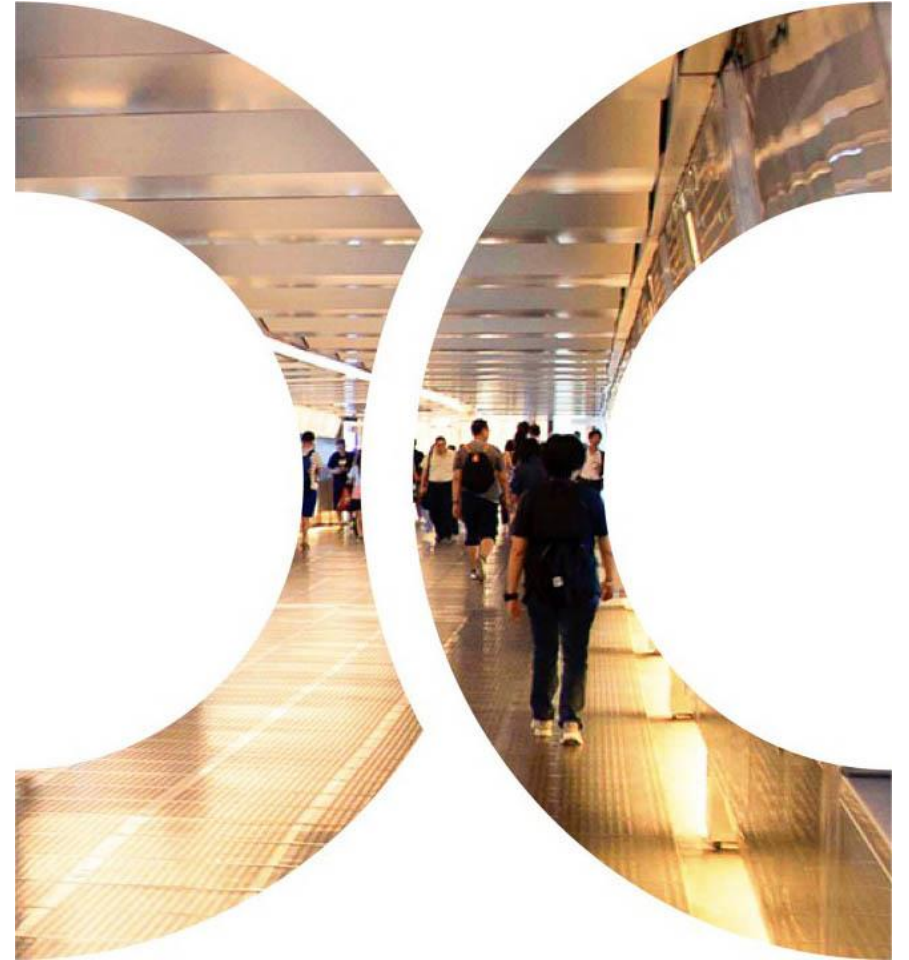
- Ordinary equity securities
- Preferred shares
- Depositary receipts
- Stapled securities
- REITs

01 | Who Should Use FINI?



See Appendix for summary of each users' roles

02 | Timeline to Launch



02 | Timeline to launch

HKEX plans to launch FINI around **June 2023**, subject to market readiness and regulatory approval



* The actual launch date will be announced 2-3 months in advance.

02 | Key Activities from Now to Launch

Registration

8 November 2022 –
17 February 2023

- Register online for FINI access
- Sign and accept FINI T&Cs*

* A FINI user must sign and accept the FINI Terms & Conditions (T&Cs) before they can be granted access to both the test and production sites

Testing Setup

25 November 2022 –
31 March 2023

- Register for external testing
- Set up VPN connectivity*
- Complete interface testing**
- Create test user accounts***

* A Virtual Private Network (VPN) is required for accessing FINI's test site

** For Share Registrars and FINI Banks only

*** For FINI's testing environment

User Testing

Q1 – Q2 2023

- Test FINI platform functions
- Create FINI user accounts*
- Attend market rehearsals

* For FINI's production environment



02 | FINI Launch Arrangement

- HKEX will announce a **FINI Launch (“FL”) Date** after receiving regulatory approvals and based on market testing completion and users’ readiness
- New listings with prospectus publication on or after FL Date will need to use FINI and follow the new T+2 settlement timetable
- Listings with prospectus publication before FL Date will complete IPOs using the existing IPO settlement process, e.g. T+5 timetable
- Minimal overlap / parallel run in operational processes under ‘old’ and ‘new’ regimes
- **HKEX will announce the FL Date 2-3 months in advance**
- **The Listing Division will work with new applicants and sponsors to ensure the correct settlement platform is used, based on their listing timetable**



03 | How to Get Ready

- Registration



03a | User Registration



QR code alternative

Online FINI Registration Form*

- Click the **link** above to complete the online form on behalf of your company
- Choose which FINI user categories you require (e.g. intermediary + sponsor)
- Appoint Delegated Administrators who will administer your company's access to FINI
- HKSCC will approve a duly completed registration within **5 working days**



* Latest links to all forms and documents available on the [FINI webpage](#).

03a | FINI User Registration Requirements (1/2)

		Eligibility	Registration
1	Sponsor For Designated Sponsor + Other Sponsors	<ul style="list-style-type: none">Valid SFC Type 6 license	<ul style="list-style-type: none">Online FINI Registration FormAccept FINI Terms & ConditionsCopy of Business Registration Certificate (upload)
2	Legal Counsel For Sponsor Counsel + Issuer Counsel	<ul style="list-style-type: none">Hong Kong Law Firm under the HK Law Society's Law List	
3	Intermediary For Designated OCs, other OCs & distributors	<ul style="list-style-type: none">Valid SFC Type 1 license or overseas equivalent*	



* Overseas equivalent license issued by a signatory to the IOSCO Multilateral Memorandum Of Understanding.

03a | FINI User Registration Requirements (2/2)

		Eligibility	Registration
4	Share Registrar	<ul style="list-style-type: none">▪ Member of the HK FSR	<ul style="list-style-type: none">▪ Online FINI Registration Form▪ Accept FINI Terms & Conditions▪ Copy of Business Registration Certificate (upload)
5	FINI Bank For Designated EIPO Banks + Issuer's Receiving Banks	<ul style="list-style-type: none">▪ Registered as a designated bank with HKSCC to perform EIPO services	<ul style="list-style-type: none">▪ Online FINI Registration Form▪ Accept FINI Terms & Conditions▪ Nominee bank account details for EIPO pre-funding
6	HKSCC Participant For users of the EIPO service	<ul style="list-style-type: none">▪ Admitted by HKSCC as a Participant of CCASS	<ul style="list-style-type: none">▪ Client Connect Users: no action required. Your DAs will get FINI user admin access in January 2023▪ Other CPs: Online FINI Registration Form



03a | FINI Registration Guide



QR code alternative

- A [FINI Registration Guide](#) is available on the FINI webpage
- Contains step-by-step walk-through and FAQs
- Group entities (e.g. ABC Bank / ABC Securities Ltd.) should register each company for FINI separately*
- Your company will receive an email during the registration process to accept the FINI Terms & Conditions



* After registration, a single user account may still be set up across the different group entities.

03a | Registration for HKSCC Participants



QR code alternative

HKSCC Participants who are existing users of HKEX Client Connect

- No action required
- Your DAs will automatically receive access to create user accounts under the FINI CP user category in **January 2023**
- HKSCC Participants may opt out from being automatically registered for FINI by contacting projectfini@hkex.com.hk before **30 December 2022**

HKSCC Participants who are not users of HKEX Client Connect OR HKSCC Participants registering for other user categories in FINI

- Should complete the [Online FINI Registration Form](#) ●

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◀ Back to users list

User

Create User

Details Roles

ADD MORE COMPANIES

The Hongkong and Shanghai Banking Corporation Limited

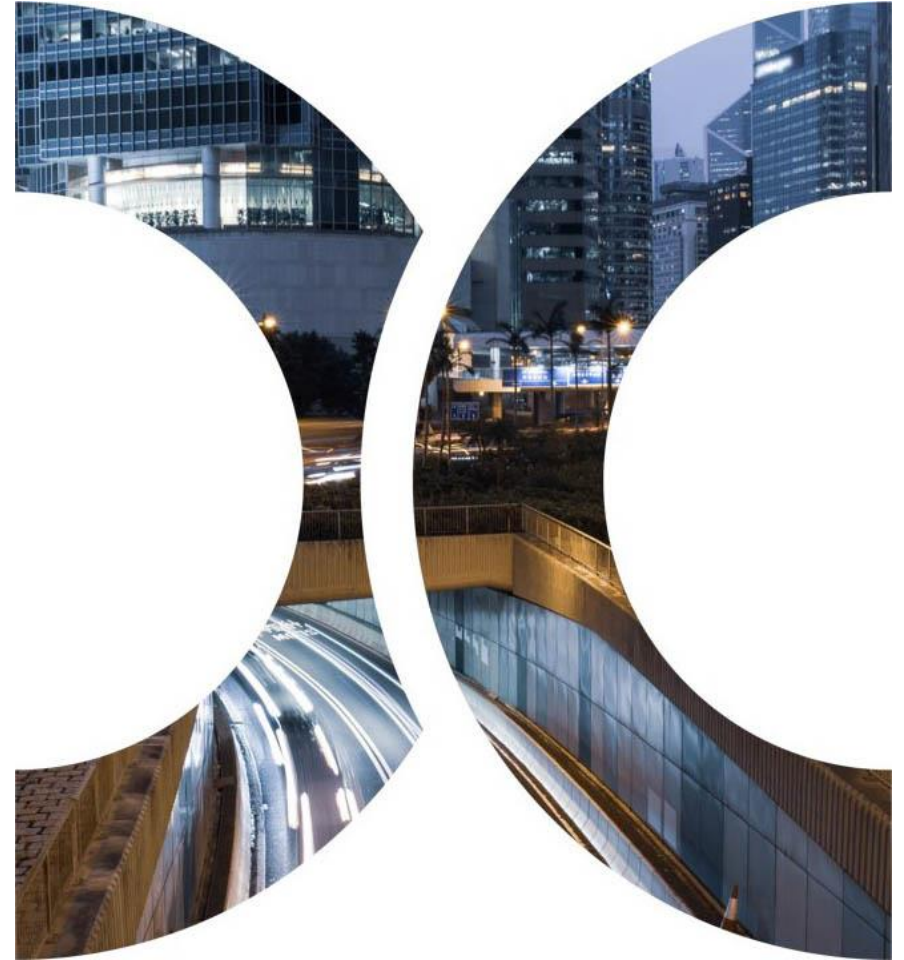
- HKSCC Designated Bank
- FINI Clearing Participant**
- HKSCC Participant

Additional FINI user categories to be enabled for creation by delegated administrators



03 | How to Get Ready

- Familiarisation & Testing



03b | Familiarisation: Functional

- Market participants must be familiar with the T+2 settlement timetable, FINI workflows & user interfaces
- The **FINI Information Pack** continues to be updated with FAQs on all aspects of the FINI workflow for all users
- **HKEX will publish the following User Guides on 25 November 2022**
 - Access Management
 - HKSCC Participants
 - FINI Banks
 - Sponsors, Intermediaries and Legal Counsels



FINI
Modernising Hong Kong's
IPO Settlement Process

FINI (Fast Interface for New Issuance) is a new platform being developed by HKEX that enables professional IPO market participants and regulatory authorities to interact seamlessly and digitally on the many important steps that comprise the end-to-end settlement process for new listings in Hong Kong.

By modernising both the logic and the infrastructure of the Hong Kong IPO settlement process, HKEX expects that the introduction of FINI will shorten the time gap between IPO pricing and trading. This will give investors quicker access to new listings, reduce market risk and improve efficiency for all parties involved. This reform will benefit all of Hong Kong by making our IPO market more efficient, robust and equipped for a digital future, whilst maintaining and extending Hong Kong's global leadership as a competitive listing venue.

The formal on-boarding process has begun. Market participants are advised to read the following documents carefully, then submit the Online FINI Registration Form (if applicable) to HKSCC:

- [Online FINI Registration Form](#)
- [FINI Registration Guide \(8 November 2022\)](#)
- [FINI Terms and Conditions \(8 November 2022\)](#)

On-boarded market participants may submit an End User Testing Application Form to register interest for accessing FINI testing environment in Q1 2023. A dedicated VPN connection is required for accessing FINI's test environment to operate UI and API functions:

- [FINI Testing Information Pack \(25 November 2022\)](#)
- [Online FINI Testing Registration Form](#)
- [FINI VPN Connectivity Guide \(25 November 2022\)](#)
- [API Simulator \(25 November 2022\)](#)

Market participants may also use the following links to access different sections of the FINI User Guide:

- [FINI Access Management User Guide \(25 November 2022\)](#)
- [FINI User Guide for HKSCC Participants \(25 November 2022\)](#)
- [FINI User Guide for FINI Banks \(25 November 2022\)](#)
- [FINI User Guide for Sponsors, Intermediaries and Legal Advisers \(25 November 2022\)](#)

HKEX warmly welcomes market participants to reach out for any enquiries by contacting projectfini@hkex.com.hk or +852 2211 5888.

NOTE: If an LC or RI intends to offer EIPO subscription services to a client and wishes to use the client's BCAN as a client identifier when submitting the subscription to HKSCC, it must first obtain the client's consent as per SFC's requirement. Further information on the relevant consent requirements can be found in SEHK's [circular](#) and HKSCC's [circular](#) dated 26 November 2021.

03b | Familiarisation: User Management

Following successful registration, access to HKEX's production environment will be enabled for your company's Delegated Administrators (DAs) in **January 2023**.



**Delegated
Administrators**



**Business
Users**

Created / managed by

HKEX Administrators

Your company's DAs

Functional access

HKEX Access Management Portal

FINI Platform

Functional rights


**Create / manage own company's
business users**

**Perform own company's
corresponding IPO roles**

A HKEX Access Management User Guide will be published on 25 November 2022

03b | Testing Setup

- All FINI users are required to set up a Virtual Private Network (VPN) connection to access FINI's test site
- HKEX will support both Client-to-Site VPN and Site-to-Site VPN connectivity, at your company's election
- A VPN Connectivity Guide and Testing Registration form will be published on **25 November 2022**
- Recommended to complete VPN setup by **31 March 2023** to prepare for final phase of formal testing





The image shows the cover of the 'FINI VPN Connectivity Guide'. It features a long-exposure photograph of a highway at night, with light trails from cars in various colors (white, yellow, red) creating a sense of motion. The title 'FINI VPN Connectivity Guide' is printed in a sans-serif font, with the date '25 November 2022' below it. The HKEX logo, consisting of the letters 'HKEX' and the Chinese characters '香港交易所' below them, is in the bottom right corner.

FINI VPN Connectivity Guide
25 November 2022

HKEX
香港交易所

▼

 Client-to-Site VPN Recommended for <u>easy setup</u>	 Site-to-Site VPN Recommended for <u>advanced setup</u> (dedicated network support team required)
<ul style="list-style-type: none">▪ Use provided client application for connecting to FINI's testing environment VPN▪ Each FINI user company limited to <u>4 user accounts</u> *	<ul style="list-style-type: none">▪ Use own corporate VPN site for connecting to FINI's testing environment VPN▪ No limit to user accounts per FINI user company

03 | How to Get Ready

- Legal & Regulatory



03c | Legal and Regulatory (1/5)

Consequential changes to Listing Rules

Mandatory nature of FINI

- FINI will be the platform for processing of all future Hong Kong IPOs
- Use of FINI will be mandatory
- Avoid confusion for investors and issuers, and duplication of costs

Shortened settlement period

Digitalised streamlined workflows

- “T+2” IPO settlement enabled due to streamlined workflows comprising the settlement process on FINI
- Rules will set out the submissions to be made on FINI

03c | Legal and Regulatory (2/5)

Consequential changes to Listing Rules Highlights

**Shortened
settlement period**

**Digitalised
streamlined
workflows**

(cont.)

- FINI will remain operational despite the issuance of Bad Weather Signals
- Listing applicants must still comply with requirements under the HK company law*
- Automated workflows and pre-populated documents for review and submission - placee list aggregation, placee concentration analysis, marketing statement, sponsor/OC declaration, issuer's declaration, allotment results announcement

All Listing Rule amendments will be effective as of the FL Date



* Cap. 32 Companies (Winding Up and Miscellaneous Provisions) Ordinance (C(WUMP)O)

03c | Legal and Regulatory (3/5)

Revised “How to Apply” Guide

Revised “How to Apply” Guide

- A revised “How to Apply” Guide for offerings under FINI
- Replaces Exhibit III of Guidance Letter HKEX-GL86-16 and section 5.1.5 of the Guide to Eligibility and Admission of Securities to the Central Clearing and Settlement System (CCASS)
- The information required to be provided in an application for shares in the public offer and the international offer, will be set out in the prospectuses

The disclosure in the “How to Apply” Guide are applicable to all prospectuses published as of the FL Date



03c | Legal and Regulatory (4/5)

Amendments to CCASS Rules and Operating Procedures (OPs)

- Documents renamed to reflect HKSCC's broader suite of services beyond CCASS*
 - General Rules of CCASS ► General Rules of HKSCC
 - CCASS Operating Procedures ► HKSCC Operating Procedures
 - CCASS Participants ► HKSCC Participants
- Sets out the duties and obligations of HKSCC Participants during EIPO subscription and settlement, under the new FINI settlement timetable

The HKSCC Rules and OPs will be effective as of the FL Date



** The equivalent changes will be made to the Rules and Procedures of HKCC, Options Clearing Rules of SEOCH and Operational Clearing Procedures of SEOCH before FINI's launch.*

03c | Legal and Regulatory (5/5)

Other key documents

- EIPO Agreement  Renamed as “FINI Agreement”, reflecting new settlement model and issuer’s authorising powers
- Stock Admission Application Letter  Minor amendments to reflect an issuer’s updated obligations under FINI
- Undertaking by Share Registrar (to HKSCC)   Removed and incorporated into the FINI Terms and Conditions
- FINI Terms and Conditions   Sets out terms of use and access to FINI for markets participants*

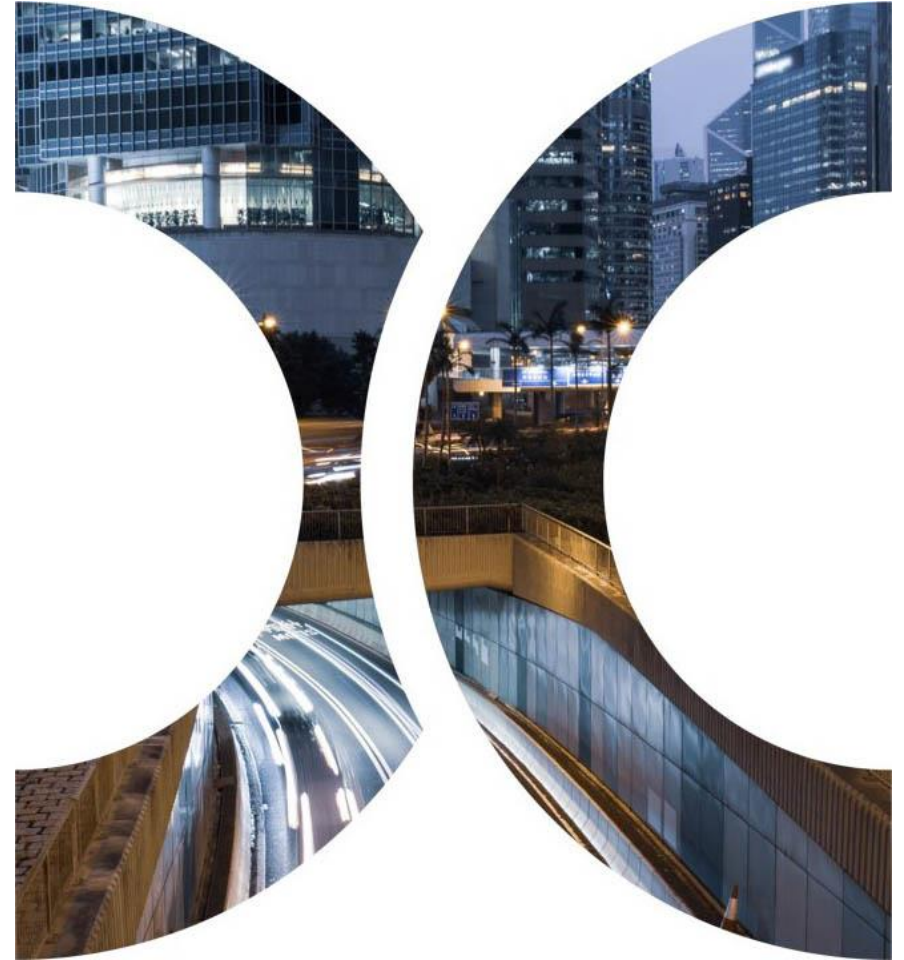
All documents will be effective as of the FL Date



** The obligations for HKSCC Participants will be bound by the HKSCC Rules and Operating Procedures*

03 | How to Get Ready

(recap)



03 | Getting ready: checklist (1/2)

Sponsors

Designated Sponsors +
Other Sponsors

Legal Counsels

Sponsor Counsels
+ Issuer Counsels

Intermediaries

Designated OCs, other OCs
& distributors

- At group level, identify entitles eligible for enrolling in applicable FINI user type(s)
- Should enrol in FINI user type(s) that they foresee themselves performing in future IPOs (e.g. Sponsor-OC), subject to eligibility
- Complete Online FINI Registration Form
- Sign and accept FINI Terms and Conditions
- Set up VPN connectivity for external testing



03 | Getting ready: checklist (2/2)

Share Registrars

- Complete Online FINI Registration Form
- Sign and accept FINI Terms and Conditions
- Set up VPN connectivity for external testing
- Complete early interface testing with HKSCC by **January 2023**

HKSCC Participants

Users of the EIPO service

- Complete Online FINI Registration Form (if needed)
- Client consent for using BCAN numbers as a valid form of client ID in EIPO subscription
- See [HKSCC](#) and [SEHK](#) joint circular for proposed language
- Set up VPN connectivity for external testing

FINI Banks

Designated EIPO Banks &
Issuer's Receiving Banks

- Complete Online FINI Registration Form
- Sign and accept FINI Terms and Conditions
- Set up VPN connectivity for external testing and EIPO nominee accounts for FINI's launch
- Complete early interface testing with HKSCC by **January 2023**



03 | Key Dates to Remember

Registration will commence...

To be completed by...

On-boarding

8 November 2022
(Tue)

17 February 2023
(Thu)

Testing Setup

25 November 2022
(Fri)

31 March 2023
(Fri)

To be announced around...

Expected to be...

Testing

January / February 2023

Q2 2023

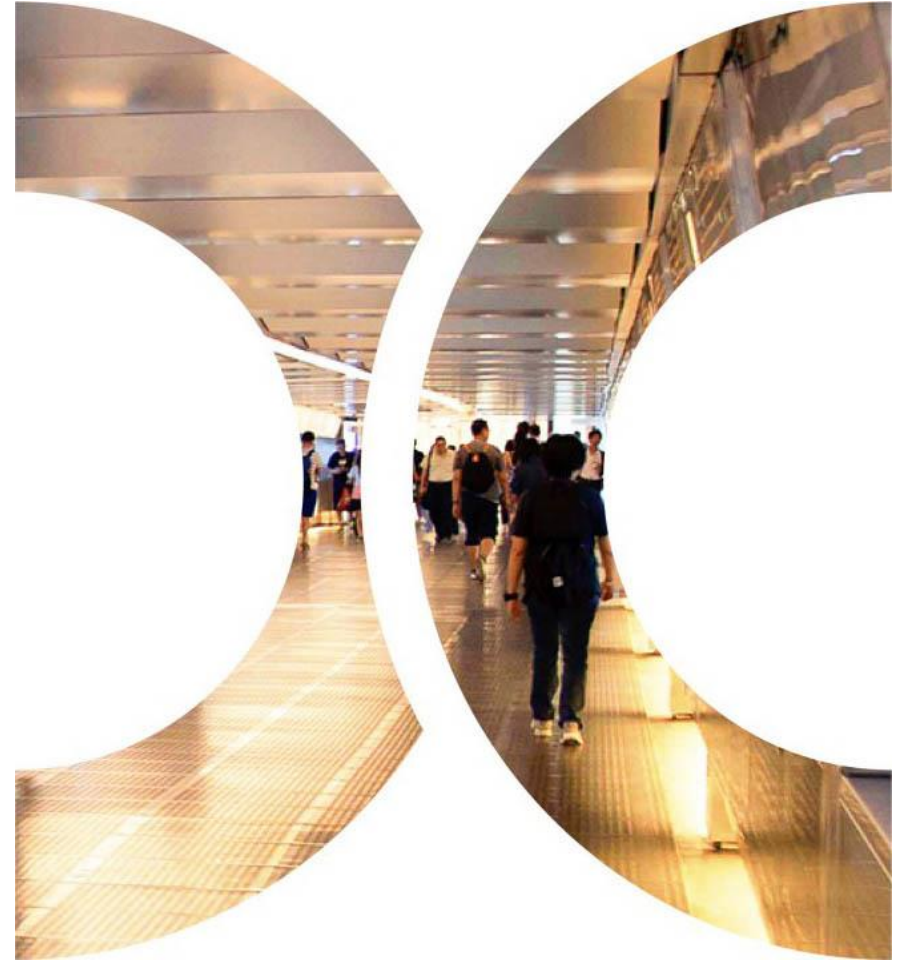
Launch

March / April 2023

~ June 2023



04 | **Contacts & Support**



04 | Resources

Available at <https://www.hkex.com.hk/fini>

FINI Recap

Timeline to Launch

How to Get Ready

- Registration
- Familiarisation & Testing
- Legal & Regulatory

Concept Paper

Concept Paper
Conclusions

Updated FINI
Information Pack

Online FINI
Registration
Form

FINI
Registration
Guide

FINI Terms &
Conditions

Updated FINI
API Guide

Available as of 8 November 2022

**Access
Management
User Guide**

**FINI User
Guides**

Available as of 25 November 2022



04 | HKEX Contacts for FINI

Operating Hours: 09:00 to 18:00, Mondays to Fridays (excluding Public Holidays)

- HKEX welcomes enquiries from the market



+852 2211 5888



projectfini@hkex.com.hk

Questions?

For further information on HKEX, please go to
hkexgroup.com and **hkexnews.hk**

For further information on FINI, please go to
hkex.com.hk/fini



Appendix



A1 | FINI User Roles & Access Methods (1/2)

1

Sponsor

For Designated Sponsor +
Other Sponsors

- Manage IPO reference data and timetable
- Manage deal access control for syndicate members / advisers
- Provide certain regulatory submissions to Listing Division / SFC

Through the FINI
internet portal

2

Legal Counsel

For Sponsor Counsel +
Issuer Counsel

- Manage IPO reference data (where delegated by Sponsor)
- Provide relevant regulatory submissions to Listing Division / SFC

Through the FINI
internet portal

3

Intermediary

For Designated OCs, other
OCs & distributors

- Confirm deal size, tranche allocations and final pricing
- Manage Control List and Placee Lists
- Provide certain regulatory submissions / supporting documents

Through the FINI
internet portal



A1 | FINI User Roles & Access Methods (2/2)

4

Share Registrar

- Confirm public, preferential and employee offering subscriptions
- Provide public offer allotment information

File transfer +
FINI internet portal

5

FINI Bank

For Designated EIPO
Banks & Issuer's Receiving
Banks

- Confirm HKSCC Participants' EIPO pre-funding positions
- Enact & monitor money settlement of EIPO share allotments
- Enact refund settlement in case a settled IPO is cancelled

Through the FINI
internet portal
or FINI API

6

HKSCC Participant







For users of the EIPO
service

- Input or amend public offer application lists (EIPO)

Through the FINI
internet portal or
FINI API






FINI Launch Arrangement Illustration

	Prospectus issuance date		Listing date
	<u>w/</u> public offer	<u>w/o</u> public offer	
Final under CCASS T+5...			
First under FINI T+2...			

	-2	-1	FL	+1	+2	+3	+4	+5	+6	+7	+8	+9	+10	+11
	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu
CCASS T+5		●	Subscription			Settlement ●					List ○			
FINI T+2			●	Subscription						●	Settlement		List ○	

The timeline consists of three horizontal bars representing different stages:

- Bar 1 (Subscription):** A blue bar spanning from Day -1 to Day +5.
- Bar 2 (Settlement):** An orange bar spanning from Day +3 to Day +8.
- Bar 3 (List):** A green bar spanning from Day +8 to Day +11.

	1 Parallel run: T+5 / T+2 subscriptions (optional)	2 Parallel run: T+5 allotment / T+2 subscriptions	3 Full transition to T+2 settlement
	Share Registrars <ul style="list-style-type: none"> Start collect client data under new FINI data standard Collect e-White subscriptions for CCASS / FINI settlement under new standard 	<ul style="list-style-type: none"> Continue processing e-White subscriptions under FINI, as final set of CCASS allotments are completed System migration over weekend to start processing allotments under FINI 	<ul style="list-style-type: none"> Discontinue remaining CCASS-related processes Continue processing FINI subscription and allotment processes on a dedicated basis
	FINI Banks <ul style="list-style-type: none"> Continue CCASS subscriptions per status quo For FINI pre-funding, may wait until weekend migration before starting monitoring operations 	<ul style="list-style-type: none"> Discontinue HKICL IAH bulk run operations for CCASS EIPO pre-funding Start monitoring pre-funding positions under FINI, as final set of HKICL SCI refund bulk runs are completed 	<ul style="list-style-type: none"> Discontinue CCASS EIPO funding operations Commence FINI pre-funding and money settlement operations on a dedicated basis
	HKSCC Participants <ul style="list-style-type: none"> Start collect client data under new FINI data standard Continue CCASS subscriptions per status quo For FINI subscriptions, may wait until weekend migration before starting submissions to FINI 	<ul style="list-style-type: none"> Discontinue CCASS subscription processes Start processing FINI subscriptions, as final set of allotments under existing CCASS are completed 	<ul style="list-style-type: none"> Discontinue remaining CCASS-related processes Continue processing FINI subscription and allotment processes on a dedicated basis