

Uncertificated Securities Market (USM) Joint Briefing on New Stamp Duty Arrangements under USM and Related CCASS Operational Processes

Inland Revenue Department (IRD) and Hong Kong Securities Clearing Company Limited (HKSCC)

13 & 15 October 2026

HKEX 香港交易所

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Agenda

Part 1: Overview of USM

Part 2: Scope of USM

Part 3: Stamping Arrangement under USM

Part 4: CCASS Operation

Part 1:
Overview of USM



Background of USM

USM A government-led initiative to implement Uncertificated Securities Market (USM) in Hong Kong based on the model concluded in 2020 and the following objectives:



Investors

- Option to Enjoy Both Better Investor Protection and Trading Convenience



Issuers

- Enhanced Corporate Governance and Investor Engagement



Market Participants

- More Efficient, Digitalised and Greener Markets

Scope of Securities Covered

- All securities listed on the SEHK except structured products and debt securities

Retain HKSCC Nominees Structure

- Minimum market impact
- Retain existing workflow for securities held under HKSCCN
- Maintain the existing securities & funding settlement efficiency (net settlement)

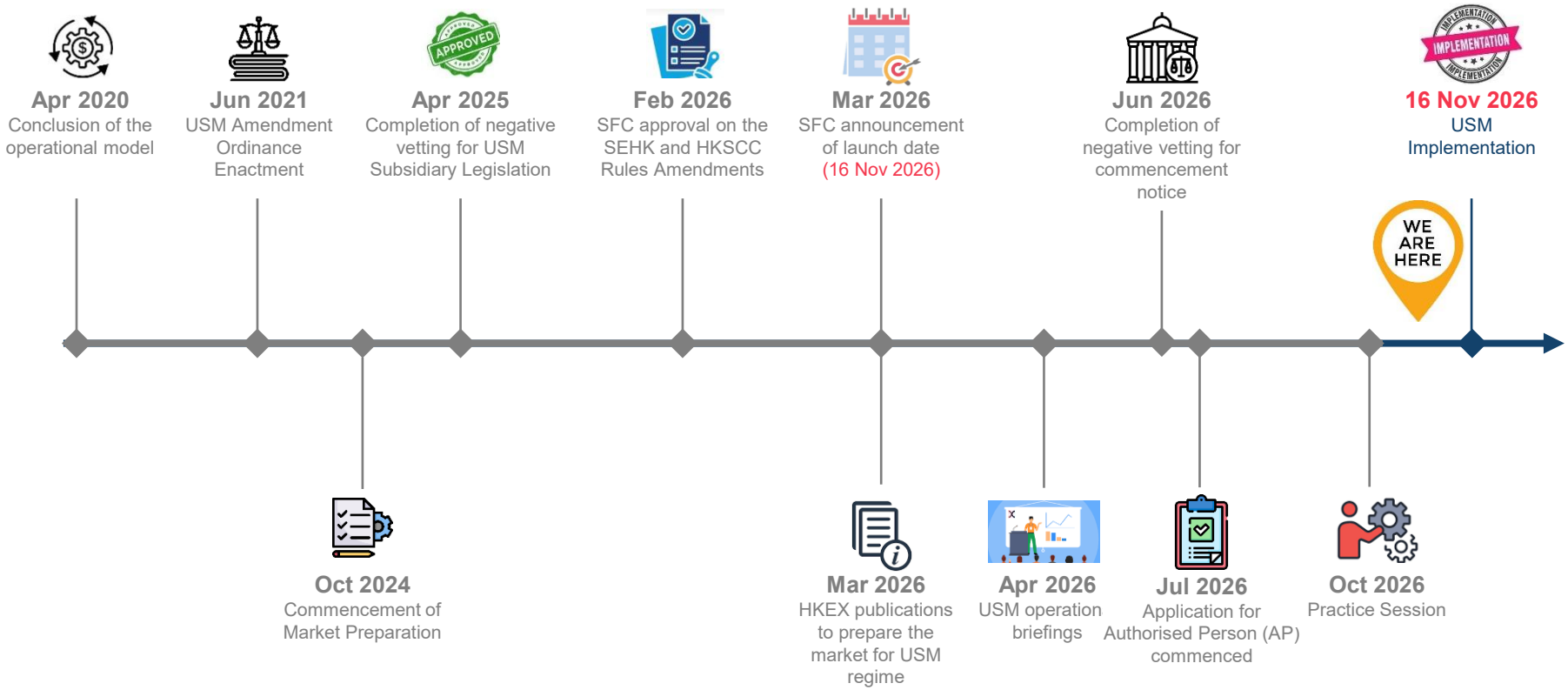
Electronic Communication

- Facilitate efficient communication & processing
- Enable participating securities booking, stamp duty arrangement and related process

Electronic Records

- Eliminate paper certificates & forms
- Avoid cumbersome paper based operational flow & reconciliation
- No rematerialisation (once dematerialised)

Journey of USM



Part 2:
Scope of USM



Scope of Securities

Prescribed securities:

- ✓ Shares[1]
- ✓ Depository receipts
- ✓ Stapled securities
- ✓ Interests in an authorized CIS (e.g. REIT) withdrawable from CCASS
- ✓ Subscription warrants (e.g. SPAC warrants)
- ✓ Rights under a rights issue
- × Debt securities
- × Structured products (e.g. Callable Bull/ Bear Contracts and Derivative warrants)

+

Issuers incorporated in:

- Hong Kong
- PRC
- Cayman Islands
- Bermuda

=

Specified Prescribed Securities

Notes:

1. Other than shares that constitute interests in a collective investment scheme (CIS) authorized by the SFC. Note also that certain interests in authorized CIS are covered as prescribed securities under a separate category.

How the Prescribed Securities Participate in the USM Regime?

Upon USM Regime Effective

Securities registrars become ***Approved Securities Registrars (ASRs)***, approved by the SFC.

Issuers are required to ***appoint an ASR*** to maintain the register of holders and provide an UNSRT system through which securities may be evidenced and transferred without paper instruments (e.g. securities certificates).

Participation in USM Regime

All specified prescribed securities will have its ***own specific deadline (within the 5-year timeline)***. Each such deadlines will be determined jointly by the issuer's ASR, HKSCC and the SEHK[1].

2026 → 2031

IPO[2]

1st Batch	2nd Batch	3rd Batch	4th Batch	…	Nth Batch
• List Co A1 • List Co B1…	• List Co A2 • List Co B2…	• List Co A3 • List Co B3…	• List Co A4 • List Co B4…	• …	• List Co AN • List Co BN…

Issuers announce a ***participation date*** and the relevant disclosure, and the announcement will be at least 3 months prior to the participation date.

On the participation date, the issuers' prescribed securities become ***participating securities*** and, from that date, new issuances of new units of such securities must be only in uncertificated form. The corresponding certificates held in CCASS will be dematerialised.

1. The timetable will be announced on HKEX USM webpage from time to time.
2. IPO securities will have to be in uncertificated form unless exempted by the SEHK on the basis of exceptional circumstances in the first year after the USM regime comes into effect.

Part 3: Stamping Arrangement under USM



Inland Revenue Department
The Government of the Hong Kong Special Administrative Region
of the People's Republic of China

STAMPING ARRANGEMENT UNDER UNCERTIFICATED SECURITIES MARKET REGIME



Disclaimer and Reminder

Where this presentation refers to certain aspects of the Guidelines for Uncertificated Securities Market Regime published by the Stamp Office of Inland Revenue Department, it provides information of a general nature that is not based on a consideration of special circumstances. It is not intended to cover all the requirements that apply to you and your firm. Accordingly, it should not be regarded as a substitute for seeking advice from professional advisors.

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1. Paper-based securities
2. On-exchange Transfers
3. Legislative Amendments
4. s.5A vs s.5AAB Arrangements
5. Features of s.5AAB Arrangements
6. Application of CP to Authorized Person
7. Process flow (CBO transfers)
8. Stamp duty payment service
9. Declaration service (Transfers to/from HKSCCN)
10. Penalty / Offence
11. Record Keeping and Inspection
12. Refund

1. Paper-based securities

Legal title (法定擁有權) change	Beneficial interest (實益擁有權) passes
Instrument of Transfer Fixed duty $5	Contract Note AVD under Head 2(1)

Note: The legal title of securities held within CCASS is HKSCC Nominees Limited. Therefore, transfer within CCASS does not involve a change in legal title.

IMPORTANT DATE

Commencement Date:

16 November 2026
(Monday)

2. On-exchange Transfers

- Transactions effected by EPs through the SEHK in accordance with the Rules of the Exchange and recorded in the **trading system** of the SEHK, and

- Transactions effected by EPs **otherwise than through the SEHK but** in respect of which EPs **choose to make payment** of the stamp duty payable on contract notes through the SEHK

3. Legislative Amendments

Securities and Futures and Companies Legislation (Amendment) Ordinance 2021

For transactions of prescribed securities[1] in **uncertificated form** ("Uncertificated Securities") that are **Off-exchange Transfers:**

- Remove the need to use paper certificates and instruments of transfer (subject to certain exceptions)
- No need to physically sign the contract notes
- Stamp contract notes by imprint stamp duty amount and a specified note thereon

1: *Prescribed securities are securities that (a) fall within a class or description of securities specified in Schedule 3A to the Securities and Futures Ordinance (Cap. 571) and (b) are listed, or to be listed, on a recognized stock market.*

3. Legislative Amendments

Stamp Duty Legislation (Miscellaneous Amendments) Ordinance 2024

For contract note stamped by way of a stamp certificate that is applied for electronically by an approved securities registrars[1] ("ASR")

- Need not be in paper form or physically signed

1: An ASR is a person approved by the Securities and Futures Commission to provide securities registrar services (as defined in the SFO).

4. s.5A vs s.5AAB Arrangements

	Existing	USM regime
On-exchange transfers	EP must settle stamp duty via HKEX under the s.5A arrangement	Remains unchanged
Off-exchange transfers	Conventional Stamping / Stamp Certificate	Authorized CP ("AP") may settle stamp duty via HKSCC under the s.5AAB arrangement

5. Features of s.5AAB Arrangements

Scope of s. 5AAB Arrangements:

	To or from HKSCCN – No Change of Beneficial Ownership ("NCBO") transfers		Off-exchange Change of Beneficial Ownership ("CBO") transfers	
	Uncertificated Securities	Certificated Securities	*(without legal title change)*	*(with legal title change)*
Covered	✓	✗	✓	✗

5. Features of s.5AAB arrangements

	s.5AAB arrangement	s.5A arrangement	Conventional stamping	Stamp Certificate
Imprint / stamps	Stamp duty amount + The amount of the Stamp Duty imprinted herein has been or will be paid by our Company to the Collector of Stamp Revenue in the manner provided by the arrangement approved under section 5AAB(1) of the Stamp Duty Ordinance.	Stamp duty amount + The Stamp Duty imprinted herein has been/will be paid through the Stock Exchange of Hong Kong Ltd.		
Physical signature on contract note	Not required	Not required	Required	Required

6. Application of CP to AP

Date	Schedule
6 July 2026 (Mon)	Invitation email sent by taxsdo@ird.gov.hk
18 Sep 2026 (Fri)	Reminder / Acknowledgement of receipt sent by taxsdo@ird.gov.hk
Early Nov 2026	Approval letter will be issued by post

7. Process flow (CBO transfers)

Day T 19:00
- AP submit Stamp Payment Request (× late stamping cases)

Day T+1 19:00
- HKEX generates EPI record and insert EPI reference to the request
- AP imprints the contract notes

Day T+2 10:30
- Payment deducted from AP's bank

8. Stamp duty payment service

- AP has to comply with the following *(Annex in Form IRSD107)*:-
  - Submit the required **details** of transfers **accurately**
  - **Pay** the stamp duty
  - **Imprint** on the contract note the **amount** of the stamp duty and a **note only after the EPI has been generated**
  - Maintain **sufficient funds** in the AP's bank account

Note: If EPI is rejected or has not yet been executed, AP should settle the outstanding stamp duty and penalty directly at the Stamp Office.

9. Declaration service (Transfers to/from HKSCCN)

- Scope:-
  - Deposits and withdrawals of Uncertificated Securities into and out of CCASS by AP
  - NCBO transfers only
- Consequence of not being an AP:-
  - CANNOT deposit / withdraw Uncertificated Securities into and out of CCASS

9. Declaration service (Transfers to/from HKSCCN)

	By specified request	Conventional stamping
Imprint / stamps	None (requires Declaration in HKEX's system)	
Instrument of Transfer and physical signature	Not required	Required
Stamp Duty	Nil	$5 (for transferor ≠ HKSCCN) / Nil (for transferor = HKSCCN)

9. Declaration service (Transfers to/from HKSCCN)

- AP has to **verify**:-
  - Transfers to HKSCCN
    - The **name** of the transferor **matches exactly** the name of the person on whose behalf the securities will be held by the AP in CCASS immediately **after** the transfer
  - Transfers from HKSCCN
    - The **name** of the transferee **matches exactly** the name of the person on whose behalf the securities were held by the AP in CCASS immediately **before** the transfer
- AP has obtained "NCBO" **confirmation** from its client

Note: If it was later found to be a CBO transfer, AP must approach the Stamp Office directly to arrange stamp duty & penalty payment.

10. Penalty / Offence

- Section 4(3B)
  - Unsettled EPI => NOT duly stamped
- Section 9
  - Penalty for late stamping
  - Up to *10 ×* stamp duty
- Section s5AA(5) – (OFFENCE) Imprinting on a contract note
  - without AP authorization
  - which is false in material particular

Note: Late stamping or payment failures cannot be processed via HKSCC and must approach the Stamp Office directly to arrange stamping and stamp duty & penalty payment.

11. Record Keeping and Inspection

- Keep records of **6 years** from the **date of transfer**
- Records: activity logs, contract notes, NCBO declarations from clients, EPI payment records, etc.
- Tax inspectors from the IRD will be sent at intervals to office of AP to inspect the books and all other related records

12. Refund

- Follow the **existing arrangement**
  - Form IRSD 25
  - Stamp Payment Request Reference Number
  - Supporting documents to substantiate the reason for refund

- Application must be made **within 2 years after the date of the instrument**

Part 4:
CCASS Operation



Authorised Person (AP) Application

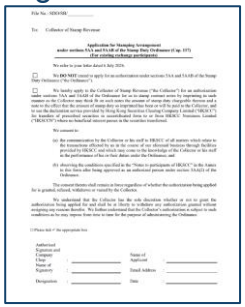
CP must be an *Authorised Person (AP)* to:

1. **Conduct NCBO USI transfer to and from HKSCCN**
2. **Use the optional stamp duty service for CBO SI transfer**

How to become an AP:

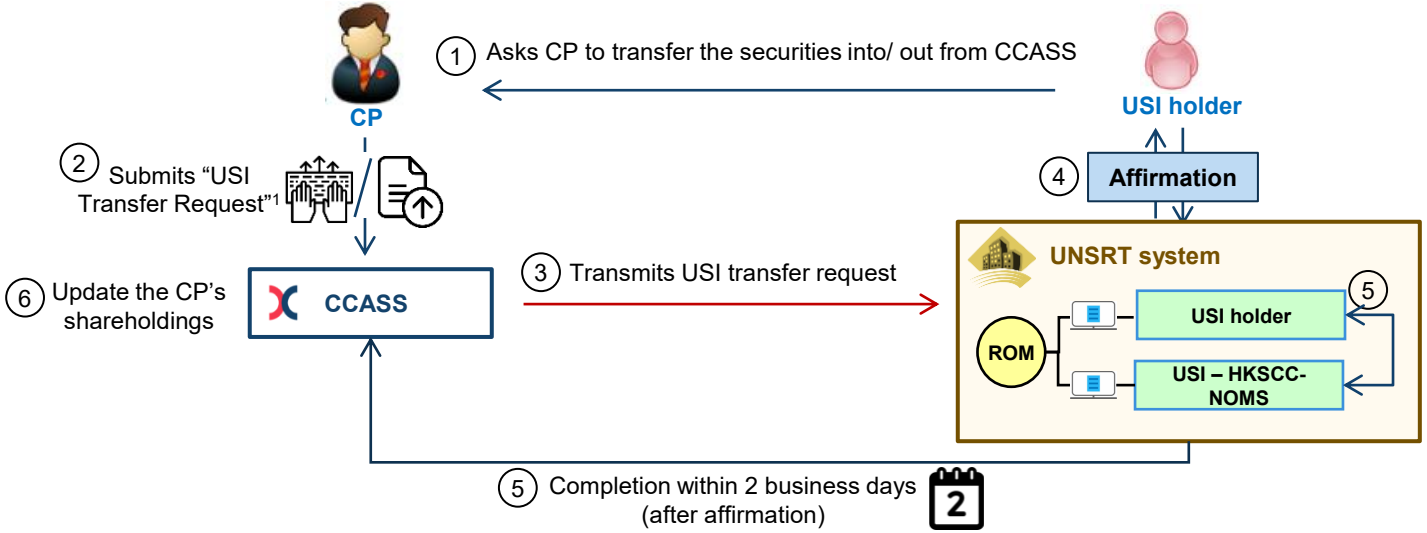
1 The AP application is handled by the Inland Revenue Department (IRD). The application started in July 2026. Existing CPs should have received invitation from IRD.





2 CPs are requested to complete the form and submitted to IRD ***within ONE MONTH*** after receiving the invitation.

USI Transfer



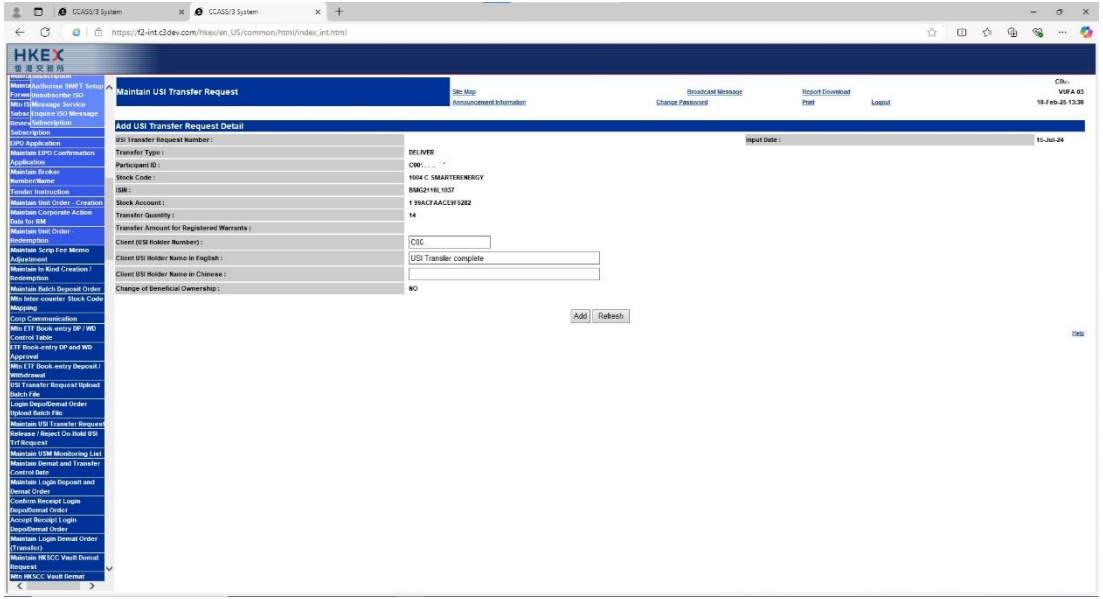
Points to note:

- To safeguard the integrity of HKSCC as a central securities depository, only ***No Change of Beneficial Ownership (NCBO) transfer*** is allowed, and CP must be an ***Authorised Person (AP)*** approved by IRD
- CPs are reminded that the inputted name ***must be an exact match*** with the name recorded on the USI profile
- If the USI transfer request is submitted and validated in CCASS ***after 13:30 HKT***, such request will be transmitted to the corresponding ASR only ***in the first batch on the following business day***.

1. There will be 14 USI transfer request batch file validation processing running at 7:45, 8:15, 8:45, 9:15, 9:45, 10:45, 11:45, 12:15, 12:45, 13:15, 14:15, 15:30, 16:45, 18:00 HKT, Monday to Friday (except public holidays)

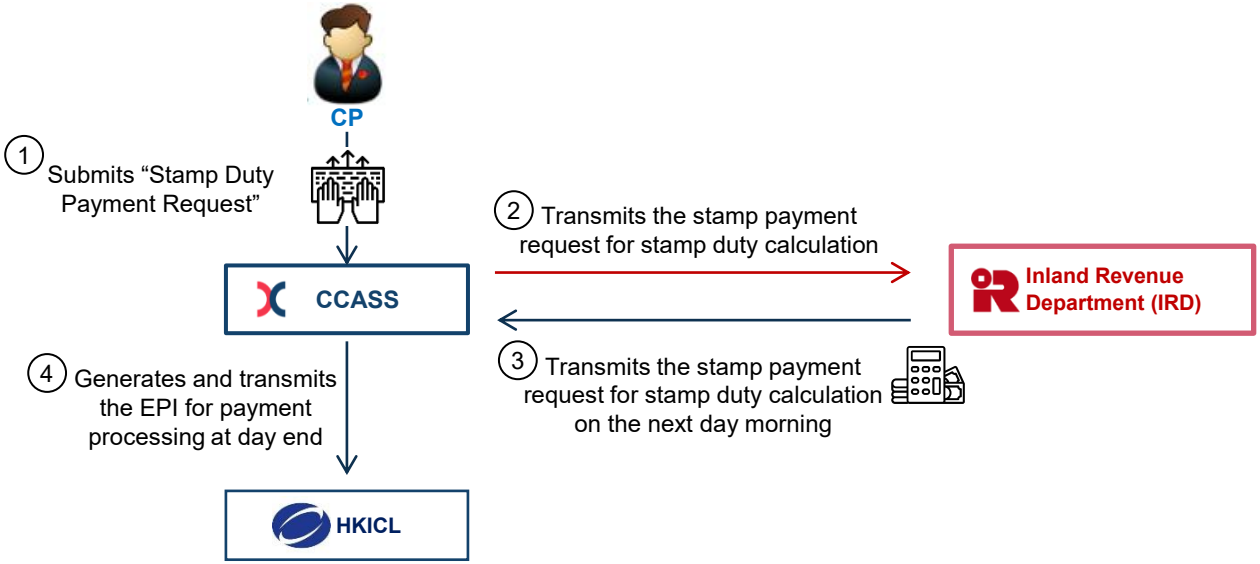
CCASS Function: USI Transfer Request

1. Select “Maintain USI Transfer Request” in CCASS
2. Fill in the required information



Field to input	Description
1.Transfer type	RECEIVE – from USI holder to HKSCCN DELIVER – from HKSCCN to USI holder SHARE MOVEMENT – shares cancellation for repurchased shares
2.ISIN or Stock Code	ISIN or stock code
3.Stock Account Number	Participant stock account for delivering / receiving the shares
4.Transfer Quantity	Transfer quantity
5.Client (USI Holder Number)	The USI holder to receive or deliver the shares
6.Client (USI Holder Name) in English	
7.Change of Beneficial Ownership	NCBO Declaration

Stamp Duty Payment Request

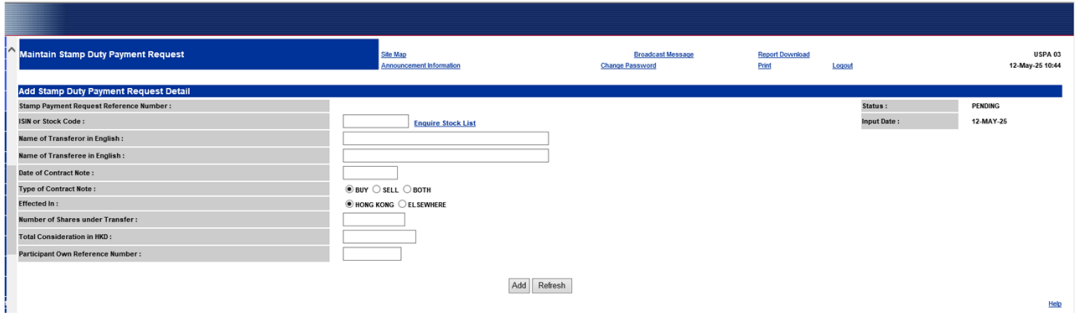


Points to note:

- CP must be an ***Authorised Person (AP)*** approved by IRD to use the stamp duty payment service for ***SI Transaction involving participating securities***
- CP (AP) must ***imprint the contract notes*** in accordance with the Stamp Duty Ordinance to complete the stamping process
- CP (AP) is responsible to ***retain relevant records of stamp payments, transfer information*** for IRD's inspection
- CP (AP) must ensure sufficient funds in the designated bank account for the payment processing

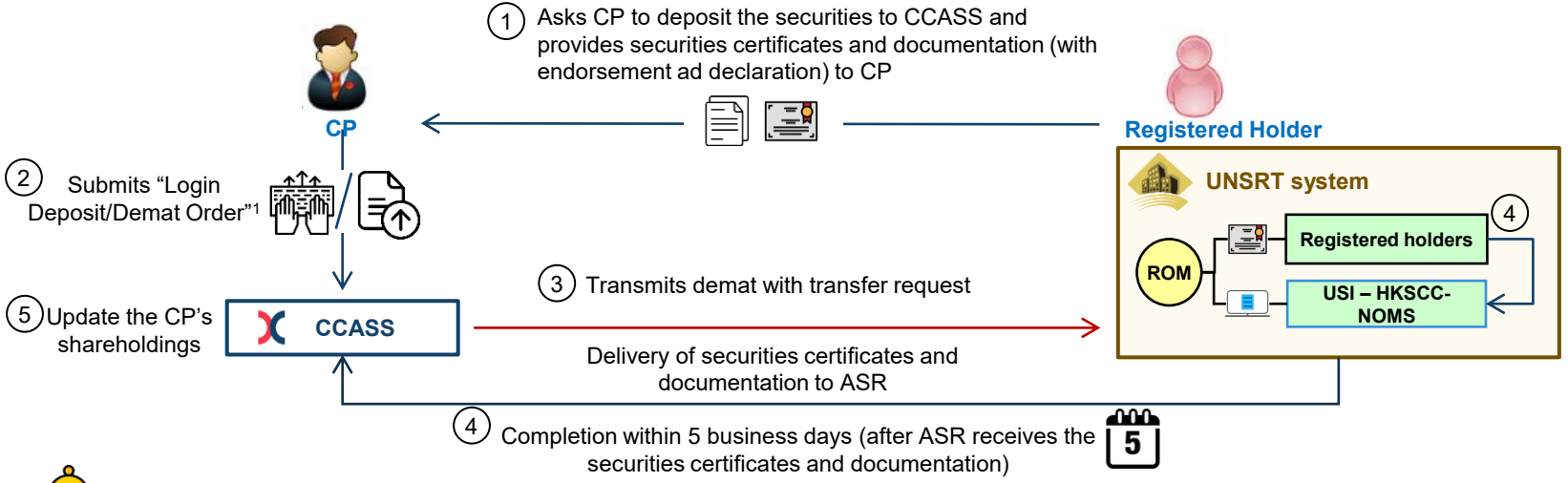
CCASS Function: Stamp Payment Request

1. Select “Maintain Stamp Duty Payment Request” in CCASS
2. Fill in the required information



Field to input	Description
1.ISIN or Stock Code	ISIN or stock code
2.Name of Transferor in English	Name of Transferor
3.Name of Transferee in English	Name of transferee
4.Date of Contract Note	Date of the contract note
5.Type of Contract Note	BUY / SELL / BOTH
6.Effected in	HONG KONG / ELSEWHERE
7.Number o f Shares under Transfer	Number of shares transferred under the contract note
8.Total Consideration in HKD	Total consideration of the contract note in HKD

Demat with Transfer



Points to note:

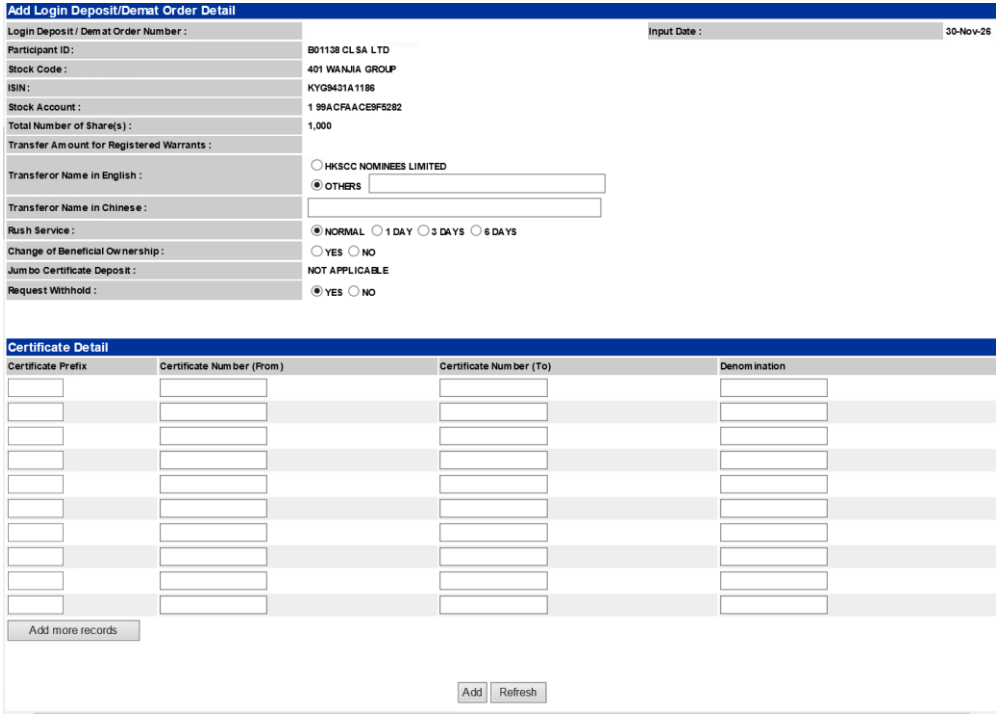
- To safeguard the integrity of HKSCC as a central securities depository, only ***No Change of Beneficial Ownership (NCBO) transfer*** is allowed
- CPs are reminded that the inputted transferor name ***must be an exact match*** with the name shown on the securities certificates
- There would not be an option to rematerialise securities that are in uncertificated form in any circumstances, except delisting

1. There will be 7 Login Deposit/Demat Order batch file validation processing running at 10:00, 11:00, 12:00, 13:15, 14:30, 15:15 and 16:15 HKT, Monday to Friday (except public holidays)

CCASS Function: Login Deposit/Demat Order (1/2)

1. Select “Maintain Login Deposit/Demat Order” in CCASS

2. Fill in the required information



Field to input	Description
1.ISIN or Stock Code	ISIN or stock code
2.Stock Account Number	Participant stock account for receiving the shares
3.Total number of share(s)	Number of shares
4.Transferor Name in English or Chinese	Transferor name in either English or Chinese
5.Rush service	Normal / 1 day / 3 day
6.Change in Beneficial Ownership	No
7.Jumbo Certificate Deposit	Not applicable
8.Request Withhold	Yes / No
9.Certificate Details	Certificate Prefix / no. / etc

CCASS Function: Login Deposit/Demat Order (2/2)

3.After authorizing the order in CCASS, please print the relevant screen and deliver the share certificates and Instrument of Transfer (IOT) to CCASS depository counter

Maintain Login Deposit/Demat Order Confirmation

Site Map | Broadcast Message | Print | Logout
Announcement Information | Change Passw ord

B01138JM
VUOE03
02-Jun-26 17:52

Enquire Login Deposit/Demat Order Detail

Login Deposit / Demat Order Number :	P00000155	Transaction Class :	DEMATERIALISATION
Deposit/Demat Order Number :		Status :	AUTHORISED
Participant ID :	B01138 CLSA LTD	Input Date :	30-Nov-26
Stock Code :	401 WANJIA GROUP	CCASS Acceptance Date :	
ISIN :	KYG9431A1186	CCASS Acceptance Time :	
Stock Account :	1 99ACFAACEBF5282	Certificate Delivery Date :	
Transferor Name in English :	XXXX	Last Update Date :	02-Jun-26
Transferor Name in Chinese :		Total Number of Certificate(s) :	1
Rush Service :	NORMAL	Total Number of Share(s) :	1,000
Change of Beneficial Ownership :	NO	Transfer Amount for Registered Warrants :	
Jumbo Certificate Deposit :	NOT APPLICABLE	Quantity for Successful Deposit/Demat :	0
Request Withhold :	NO	Quantity for Rejected Deposit/Demat :	0
Reject Reason :			

Certificate Detail

Certificate Prefix	Certificate Number (From)	Certificate Number (To)	Denomination	Number of Share(s)
	1	1	1,000	1,000

Rejected Certificate Detail

Certificate Prefix	Certificate Number (From)	Certificate Number (To)	Denomination	Number of Share(s)	Reject Reason

Enquire Another Record | Go To List | Help

NCBO declaration on IOT:

Signature(s) of transferee(s) 承讓人簽名

賣方經紀印 (SELLER'S BROKERS)	買方經紀印 (BUYER'S BROKERS)	賣方經紀印 (SELLER'S BROKERS)	買方經紀印 (BUYER'S BROKERS)
1)	2)	3)	4)

We hereby certify that the securities are deposited by [redacted]

with [redacted] for safe custody purpose and that the transfer to HKSCC Nominees Limited involves no change in beneficial ownership.

For and on behalf of [redacted]

Authorized Signature(s)

Enquiries and Support

For any enquiries about the USM, please contact HKSCC Hotline or Email indicated below:



Channel	Details
Hotline	2979 7111 *During normal office hours from 09:00 to 18:00* *(Mondays to Fridays, excluding public holidays)*
Email	ClearingPS@hkex.com.hk
Website	Uncertificated Securities Market

Q & A Session

