

Hong Kong Capital Markets Update

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HKEX's consultation conclusions on Paperless Listing & Subscription Regime, Online Display of Documents and Reduction of the Types of Documents on Display

On 18 December 2020, the Stock Exchange of Hong Kong Limited (the "Exchange") published the [conclusions](#) of its consultation on proposals to introduce a paperless listing & subscription regime, online display of documents and reduction of the types of documents on display ("Conclusions"). The Conclusions are summarised as below:

Highlights

- The Exchange decided to adopt all the proposals with minor modifications.
- All listing documents in a New Listing¹ (e.g. IPO) must be published solely in an electronic format and New Listing subscriptions and, where applicable, must be made through online electronic channels only (the "Paperless Listing and Subscription Regime").
- The current requirement for certain documents to be put on physical display will be replaced with a requirement for those documents to be published online (the "Online Display of Documents").
- The types of documents that it is mandatory for an issuer to put on display for notifiable transactions and connected transactions will be reduced (the "Reduction of Documents on Display").
- The related Listing Rules amendments will take effect on 5 July 2021 for the Paperless Listing and Subscription Regime and 4 October 2021 for the Online Display of Documents and the Reduction of Documents on Display.

Background

On 24 July 2020, the Exchange published a consultation paper (the "Consultation") seeking market views on proposals to introduce the Paperless Listing and Subscription Regime, Online Display of Documents and Reduction of Documents on Display (for a summary of the consultation, please refer to our [Capital Market Update Issue 2020-03](#)).

The Exchange believes that the current Listing Rule requirements for printed form physical listing documents and the physical display of documents are out-of-step. This is especially so considering the changes in the availability and usage of the internet and the common practice of other Hong Kong regulators, and those overseas, that largely allow these documents to be made available electronically or online. Accordingly, the Exchange proposed the fully paperless listing documents and paperless subscriptions and requires the documents to be published online, to ensure the Listing Rules are current and reflect market developments as well as international best practice.

The Exchange, after considering the comments from the respondents, decided to adopt all the proposals in the Consultation with minor modifications. The related Listing Rules amendments will take effect on 5 July 2021 for the Paperless Listing and Subscription Regime and 4 October 2021 for the Online Display of Documents and the Reduction of Documents on Display.

¹ "New Listing" refers to an application for listing of equities (including stapled securities and depositary receipts), debt securities and collective investment schemes ("CIS") on the Exchange by a new applicant where a listing document is required under the Listing Rules but excludes a "Mixed Media Offer" ("MMO").

Minor Modifications

The requirements regarding the publication of listing documents in newspapers will be repealed

Based on the comment from a respondent, the Exchange will repeal the requirements in Main Board Listing Rules 12.06 and 25.19 and in GEM Listing Rules 16.11 and 29.21 regarding the publication of a listing document in newspapers to align with the intention that listing documents should be published in electronic form only.

The register of members of PRC issuers will continue to be available for physical inspection

To ensure consistency in the treatment of PRC issuers and other issuers, the Exchange has taken up a point raised by a respondent and will not require PRC issuers to display their register of members online. The register of members of PRC issuers will continue to be available for physical inspection.

If you have any questions about the matters discussed in this publication, please feel free to contact the following capital markets partners and directors.

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