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HKEX Concludes Consultation on Further Expansion of its Paperless Listing Regime

On 24 January 2025, the Hong Kong Exchanges and Clearing Limited (the **HKEX**) published the [Consultation Conclusions on Proposals to Further Expand the Paperless Listing Regime and Other Rule Amendments](#). Having received support from a majority of the 49 respondents to the consultation, the HKEX will adopt all the proposals with minor modifications and clarifications to address respondents' comments.

For a summary of the [Consultation Paper's](#) original proposals, please see our newsletter "[HKEX Consults on Further Expansion of its Paperless Listing Regime](#)".

Expansion of HKEX's Paperless Listing Regime

1. Allowing Electronic Instructions from Securities Holders to HKEX-listed issuers: New HKEX Main Board Listing Rule 2.07D/ GEM Listing Rule 2.30

The HKEX will add new Main Board Listing Rule 2.07D (GEM Listing Rule 2.30) to require issuers, to the extent permitted under applicable laws and regulations, to implement mechanisms to give securities holders the option of returning the following instructions to issuers electronically:

- instructions relating to a meeting of securities holders, including those requiring an indication as to attendance at the meeting and Proxy-related instructions (**Meeting Instructions**); and
- instructions sent in response to actionable corporate communications (being corporate communications that seek instructions from securities holders on how they want to exercise their rights or make an election) (**Non-meeting Instructions**).

With the implementation of the new HKEX Listing Rule, HKEX-listed issuers will have to give securities holders the option of submitting Meeting Instructions and Non-meeting Instructions either electronically or in hard copy form and will need to specify how Meeting Instructions or Non-meeting Instruction(s) can be sent in the corporate communication requesting them. Issuers will not be restricted in their choice of mechanism for receiving electronic instructions: they could, for example, receive instructions by email or via a bespoke online platform.

The new requirement complements the existing requirement for issuers to send corporate communications to their securities holders electronically, provided this is allowed under the laws and regulations of their jurisdiction of incorporation, under Main Board Listing Rule 2.07A (GEM Listing Rule 16.04A(1)). Actionable corporate communications must be sent to securities holders individually in electronic form. However, issuers are currently under no obligation to put mechanisms in place for securities holders to *respond* electronically to corporate communications.

Verifying Authenticity of Instructions Sent Electronically

Issuers will be required to implement arrangements to verify the authenticity of Meeting Instructions and Non-meeting Instructions that are submitted electronically and will be free to choose the method of

verifying authenticity. In its Consultation Paper, the HKEX suggested the following authentication methods: (a) requiring instructions to include a statement of the securities holder's identity, accompanied by authentication, such as a scanned signature; (b) using an off-the-shelf electronic signature solution that supports identity verification; (c) implementing a custom system integrated into an online platform designed to meet the highest authentication standards; or (d) selecting an alternative authentication method.

Issuers that request personal information from securities holders for authentication purposes will need to ensure they comply with relevant laws, such as the Personal Data (Privacy) Ordinance (Cap. 486), regarding the scope of the information collected and its retention period.

Scope of New HKEX Main Board Listing Rule 2.07D/ GEM Listing Rule 2.30

The new requirement will only apply to issuers if they are allowed to receive Meeting Instructions and Non-meeting Instructions electronically under the laws and regulations that apply to them. If these instructions cannot be sent electronically, e.g., if they have to be sent with other documents (e.g., a power of attorney) that must be sent in hard copy form under applicable laws and regulations, the instructions will need to be sent in compliance with those requirements.

Issuers will not be required to provide securities holders with an electronic option for sending Non-meeting Instructions that are accompanied by physical title instruments (e.g. physical share certificates).

The requirements relating to Meeting Instructions will apply to issuers of equity securities and public debt issuers. The requirements for Non-meeting Instructions will apply to issuers of equity securities and issuers of structured products. None of the requirements will apply to issuers of collective investment schemes or of debt securities to professional investors under Chapter 37 of the HKEX Listing Rules.

The HKEX will also revise the template proxy form attached to its general meeting guide to allow proxy appointments to be sent electronically. Additionally, the Form Filling Guide for the Meeting Notification e-Form will be modified to require issuers to give instructions on how securities holders can submit instructions electronically.

Implementation Date of New HKEX Main Board Listing Rule 2.07D/ GEM Listing Rule 2.30

HKEX Main Board Listing Rule 2.07D (GEM Listing Rule 2.30) will be implemented on the same date as Hong Kong's uncertificated securities market, which is currently scheduled for the end of 2025. Issuers will then have:

- a **one-year** transitional period to comply with its requirements in relation to Meeting Instructions and Dividend Election Instructions (i.e. instructions responding to election forms for dividend payment (such as choices between scrip or cash dividends and currency options)); and
- a **five-year** transitional period to comply with its requirements in relation to Non-meeting Instructions that are not Dividend Election Instructions.

2. Option to Receive Real-time Electronic Payment of Corporate Action Proceeds: New HKEX Main Board Listing Rule 2.07E/ GEM Listing Rule 2.31

New Main Board Listing Rule 2.07E (GEM Listing Rule 2.31) will require listed issuers to give securities holders the option of receiving corporate action proceeds electronically, to the extent this is permitted under applicable laws and regulations. "Corporate Action Proceeds" will be defined to include dividends and other entitlements, refunds relating to applications for, and (where applicable) excess applications in connection with rights issues, open offers and offers to a specified group of securities holders on a preferential basis, and payments in connection with takeovers and privatisations where the offeror is a listed issuer.

The HKEX has removed its proposed requirement that issuers give securities holders the option of receiving Corporate Action Proceeds through the Clearing House Automated Transfer System (**CHATS**). Instead, issuers will be free to choose the method of electronic payment, with acceptable methods including, without limitation, CHATS, FPS, autopay and telegraphic transfer. However, issuers must ensure that securities holders receive funds by the payment date given in the relevant announcement or corporate communication. The HKEX expects electronic payments of Corporate Action Proceeds to HKSCC to be made in the early business hours of the scheduled payment date to enable HKSCC to transfer them to CCASS Participants on the same day.

Issuers will be required to inform securities holders of the electronic payment option provided in the announcement of the payment of Corporate Action Proceeds or other corporate communication relating to their payment. Issuers will also need to seek securities holders' instructions as to their chosen payment method, and with respect to the electronic payment option, will need to request their functional electronic payment information. If a securities holder fails to indicate a choice of payment method or does not provide its functional electronic payment information, the issuer will be able to adopt any payment method (including a non-electronic method) previously used to pay corporate action proceeds to that securities holder.

Issuers will be required to bear outward charges, e.g., bank charges, arising on payments made to securities holders electronically. Securities holders opting to receive corporate action proceeds electronically will be subject to any inward charges imposed by their banks, and issuers will be required to inform them of the possibility that they may incur these charges in the relevant announcement or corporate communication.

New Main Board Listing Rule 2.07E (GEM Listing Rule 2.31) will apply to issuers of equity securities and collective investment schemes only.

Implementation Date of New HKEX Main Board Listing Rule 2.07E/ GEM Listing Rule 2.31

The new HKEX Listing Rule will be implemented on the date the uncertificated securities market takes effect, subject to a one-year transition period.

3. Electronic Payment of Subscription Monies: New HKEX Main Board Listing Rule 2.07F/ GEM Listing Rule 2.32

Since the launch of FINI, all IPO subscriptions and subscriptions for public offers by listed issuers of equity securities take place electronically via the FINI platform. The HKEX Listing Rules do not currently stipulate how subscription monies must be paid to listed issuers for offers made to their existing securities holders.

New Main Board Listing Rule 2.07F (GEM Listing Rule 2.32) will require that when a listed issuer makes an offer to subscribe for new securities to its existing securities holders, it must offer them the option of paying the subscription monies electronically. The new requirement will apply to offers including open offers, rights issues, preferential offers and bonus issues of securities, but does not apply to placings including top-up placings (because the method of payment of subscription monies for placings is generally determined among the placing agent, the placee(s) and the issuer). Electronic payment of subscription monies will not be mandatory and securities holders will still have the option of paying subscription monies by paper cheque or cashier order.

HKEX-listed issuers can choose the electronic payment method offered; they could, for example, offer autopay, FPS, CHATS or telegraphic transfer. Issuers will be required to disclose instructions on how to pay subscription monies and give details of their electronic payment details in the relevant announcement or corporate communication. The HKEX expects securities holders to continue to bear any charges incurred on their payment of subscription monies electronically, and issuers will need to inform securities holders that they may be liable for related bank charges.

The new requirements will apply only to issuers of equity securities and collective investment schemes, as alternative payment methods for debt securities and structured products are already in place.

4. Implementation Date of New HKEX Main Board Listing Rule 2.07F/ GEM Listing Rule 2.32

The new HKEX Listing Rule will be implemented on the date the uncertificated securities market takes effect, subject to a one-year transition period.

5. Abolishing Mixed Media Offers (“MMOs”)

The HKEX will revise the HKEX Listing Rules to abolish mixed media offers, thereby removing the option of issuing paper application forms with electronic versions of prospectuses for public offerings of equity securities, collective investment schemes and debt securities. Applications for public offers of equity securities and collective investment schemes will instead be required to be made by online subscription. Subscriptions for public offers of debt securities will continue to be conducted through channels such as placing banks and/or HKSCC.

The abolition of mixed media offers will take effect on the date of repeal of the class exemption notice that allows mixed media offers.

6. Hybrid General Meetings and E-Voting for HKEX-listed Issuers

The HKEX Listing Rules do not currently specify the format of general meetings or the method of voting that must be used. The HKEX will adopt its proposal to require listed issuers to amend their constitutional documents to allow them to hold hybrid general meetings (i.e., meetings that allow online participation at general meetings) and voting by securities holders by electronic means (**E-voting**), to the extent allowed under the laws or regulations of their jurisdiction of incorporation. The requirement will only apply to issuers of equity securities.

According to the HKEX’s Consultation Paper, around 90% of companies listed on the HKEX are incorporated in the Cayman Islands, Bermuda or the PRC – jurisdictions which already expressly allow, or do not prohibit, hybrid general meetings and E-voting. As regards Hong Kong-incorporated companies,

section 583A(3) of the Hong Kong Companies Ordinance (Cap. 622) expressly allows Hong Kong-incorporated companies to hold fully virtual or hybrid general meetings in the absence of any contrary provision in their articles.

The new requirement will be added as new paragraph 14(6) to the Core Shareholder Protection Standards in Appendix A1 to the HKEX Main Board and GEM Listing Rules. Listed companies therefore need to review their articles to ensure they are able to comply with the new requirement. If the laws of their jurisdiction of incorporation do not expressly allow hybrid general meetings and E-voting, issuers should obtain legal advice on whether it is appropriate for them to include express provisions allowing hybrid general meetings and E-voting. Issuers who cannot comply with the new requirement because of restrictions under the laws of their jurisdiction of incorporation will need to apply to the HKEX for a waiver on the basis that compliance with the requirement is impractical due to legal restrictions under paragraph 3.5(b) of the HKEX [Guide on applications for waivers and modifications of the Listing Rules](#).

Where issuers opt to hold hybrid general meetings, they must comply with the requirements of the Core Shareholder Protection Standards set out in Appendix A1 to the Main Board and GEM Listing Rules and adopt measures to ensure that securities holders have the right to speak and vote at general meetings.¹ The HKEX's [General Meeting Guide](#) already provides that issuers should make arrangements to allow shareholders to listen, speak and submit *real-time* questions during general meetings.² The [Companies Registry's Guidance Note – Good Practice on Holding Virtual or Hybrid General Meetings](#) similarly expects shareholders to be able to submit real-time questions orally or electronically by typing them into a dedicated meeting application or platform.³

However, the HKEX will not mandate the use of hybrid meetings and E-voting at this stage. The Consultation Paper asked for feedback on whether listed issuers should be required to offer shareholders the option of attending general meetings virtually and voting electronically. Despite the majority of respondents supporting the imposition of an obligation to this effect on listed issuers, the HKEX decided against this but will continue to monitor whether an obligation should be introduced. In the meantime, listed issuers will retain the ability to choose the method of hosting general meetings and voting.

Implementation Date

Listed issuers will need to revise their constitutional documents (as necessary) to allow them to provide hybrid general meetings and E-voting by the date of their first annual general meeting held after 1 July 2025.

HKEX Seeks Feedback on Web Accessibility of HKEX-listed Issuers' Corporate Communications

The Consultation Paper sought feedback on whether web accessibility guidelines (guidelines aimed at assisting persons with disabilities in gaining better access to web content), such as the Web Content Accessibility Guidelines, should be included in, or referred to, in the HKEX Listing Rules or other HKEX guidance to require corporate communications published on issuers' websites to conform with relevant guidelines.

¹ Under paragraphs 14(3) and 19 of Appendix A1 to the Main Board and GEM Listing Rules

² At paragraph 6.3 of the HKEX's General Meeting Guide

³ At paragraph 6.9 of the Companies Registry's Guidance Note – Good Practice on Holding Virtual or Hybrid General Meetings

While some support for the incorporation of web accessibility guidelines was expressed, concerns were raised regarding increased compliance costs and the prescriptive and evolving nature of web accessibility guidelines. Some consultation respondents also considered that it would take longer to prepare corporate communications that complied with web accessibility guidelines, and that this might be problematic given the Listing Rules' tight publication deadlines.

Given the various concerns raised, the HKEX will not incorporate web accessibility guidelines in the HKEX Listing Rules or guidance, but will keep this area under review.

Other HKEX Listing Rule Amendments

The HKEX will adopt the various minor HKEX Listing Rule amendments and housekeeping amendments proposed in the Consultation Paper. These amendments took effect on **10 February 2025**.

Clarification of Conditions for Waivers from HKEX Listing Rules' Annual Results/Reports Publication Requirements

Note 4 to Main Board Listing Rule 13.46(2) sets out the conditions for the HKEX to grant waivers from the requirements to publish and distribute annual results and reports. Previously, these conditions only applied to waivers granted to overseas issuers and PRC issuers, despite originally being intended to apply to all newly listed issuers.⁴ The HKEX has adopted its proposal to clarify the Main Board Listing Rules by adding a new note to Main Board Listing Rule 13.46(1) to apply the same waiver conditions to other issuers who are not overseas or PRC issuers.

Alignment of HKEX Main Board and GEM Listing Rule Requirements

The HKEX has made the following amendments to the HKEX Listing Rules:

- ***Removal of independent non-executive director's annual confirmation***

The requirement for independent non-executive directors to file annual confirmations of their independence with listed issuers was removed from Main Board Listing Rule 3.13 and GEM Listing Rule 5.09 in December 2023. The HKEX has now removed the requirement for listed issuers to confirm in their annual reports whether they have received annual confirmations of independence from their independent non-executive directors under paragraph 12B of Appendix D2 of the Main Board Listing Rules and GEM Listing Rule 18.39B to align with Main Board Listing Rule 3.13 and GEM Listing Rule 5.09.

- ***Documentary requirements for applications to list on HKEX***

The HKEX has amended Main Board Listing Rule 9.22(2)(c) to align the documentary requirements for listing applications made by listed issuers (namely, the requirements for translations of prospectuses) with

⁴ See proposal 7 in the Consultation Paper on Codification of General Waivers and Principles relating to IPOs and Listed Issuers and Minor Rule Amendments (August 2019) at: <https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/August-2019-Codification-of-General-Waivers/Consultation-Paper/cp201908.pdf>

the documentary requirements for new listing applicants under Listing Rule 9.11(33)(c). The same amendments have been made to GEM Listing Rules 12.26E and 28.15(2).

- ***Alignment of Main Board and GEM Listing Rule Requirements***

- As there is no comparable requirement under the Main Board Listing Rules, the HKEX has removed the requirement under GEM Rule 18.50C for listed issuers to submit a copy of their annual report to the HKEX for publication on the HKEX's website no later than three months after the end of their financial year. Both Main Board and GEM issuers are required to issue their annual reports no later than four months after the end of the financial year under Main Board Listing Rule 13.46 and GEM Listing Rule 18.03.
- The HKEX now requires GEM listing applicants to provide the estimated market capital of their total equity in their listing application forms (Form A published in GEM Regulatory Forms). This amendment aligns the market capitalisation information requirement for Main Board and GEM Board listing applicants.

HKEX Listing Rule Amendments relating to Debt Securities

The HKEX is also proposing the following amendments to the Listing Rules relating to debt securities.

- ***Publication window for prescribed announcements***

Main Board Listing Rule 2.07C(4) allows the issuers of debt securities to the public (**Public Debt Issuers**) to publish certain prescribed announcements during trading hours in certain circumstances. The HKEX has amended Main Board Listing Rule 2.07C(4)(a) to allow issuers of debt securities to professional investors under Chapter 37 of the Main Board Listing Rules (**Professional Debt Issuers**) to publish during trading hours the same prescribed announcements in specific circumstances as provided for Public Debt Issuers.

- ***Audited interim financial statements for eligibility assessment***

The HKEX has made amendments to clarify that the requirement for listing applicants to have produced "audited accounts for two years" under Main Board Listing Rule 37.06 requires audited accounts for "two financial years" rather than two calendar years. The HKEX noted in the Consultation Paper that Main Board Listing Rule 37.06, which also requires that the two financial years' audited accounts are made up to a date no later than 15 months before the intended date of the listing document, may create a blackout period for certain applicants. The HKEX has therefore adopted its proposed an amendment so that applicants can be eligible to list under Chapter 37 of the Main Board Listing Rules if they can provide audited accounts for two financial years as well as audited interim financial statements covering at least the first six months of the financial year that ends not more than 15 months before the intended date of the listing document.

- ***Professional Debt Issuers' continuing obligations***

- The HKEX has expanded the coverage of the continuing obligation for Professional Debt Issuers under Main Board Listing Rule 37.49(b) (GEM Listing Rule 30.42(b)) so that their obligation to notify the HKEX in advance of any proposal to amend the trust deed also applies to any proposal to amend any other document that secures or constitutes the debt securities.
- It has also revised the continuing obligation for Professional Debt Issuers (or guarantors) under Main Board Listing Rule 37.53 to require the submission of interim financial statements to the HKEX rather than interim financial reports.

- ***Public Debt Issuers' continuing obligations***

The HKEX has revised the continuing obligations of Public Debt Issuers under paragraphs 12(1) and 19(2) of Appendix E4 to the Main Board Listing Rules and GEM Listing Rules 31.15(1) and 31.19(2) to require them to notify the HKEX of any proposal to amend a trust deed or other document securing or constituting listed debt securities and to provide the HKEX with a draft of the proposed amendment.

- ***Validity period of a debt programme***

The HKEX has amended Main Board Listing Rule 37.41 (GEM Listing Rule 30.34) to clarify that the validity period for a debt programme is one year after the date of the listing document rather than the date of publication.

- ***Definition of supranationals***

The HKEX has amended the definition of “supranationals” in the Main Board Listing Rules to include the list of multilateral agencies set out in Part 4 of Schedule 1 to the Securities and Future Ordinance.

- ***Bilingual publication of financial statements***

Amendments have been made to require all Public Debt Issuers, other than States and supranationals, to publish English and Chinese versions of their financial statements as set out in paragraph 20(1) of Appendix E4 to the Main Board Listing Rules and GEM Listing Rule 31.21.

- ***Replacement of references to “general meetings”***

References to “general meetings” have been replaced with “meetings of holders of the debt securities” in paragraph 9 of Appendix A2 to the Main Board Listing Rules and GEM Listing Rules.

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