



**COMMENTS ON
THE CONSULTATION PAPER ON THE PROPOSAL TO MANDATE
ELECTRONIC SUBMISSION OF DISCLOSURE OF INTERESTS
NOTICES**

1. CHOICE OF MODEL

Subject to the comments below, the Law Society supports the adoption of Option B(2), by which disclosure of interest filings are made electronically to the Stock Exchange of Hong Kong who will, in turn, forward such filings electronically to relevant listed corporations:

- (a) **Accessibility** – An electronic system using an Internet based web interface should be as compatible with as broad a range of platforms as possible. For example, the current Excel form macros do not function properly on certain computer platforms.

If a person making a disclosure can establish that he is physically unable to make a filing through the web interface, he should be permitted to file in hard copy. Otherwise, he could commit a criminal offence because of Internet network failure, computer failure, platform incompatibility or simply lack of access to computer facilities.

- (b) **Preview and Saving** – The web interface should provide for input in 2 stages, with data being input in the 1st stage and filing taking place in the 2nd stage. In the 1st stage, the web interface should allow for preview and printing of a draft disclosure form containing all data input to that point in time so that content can be verified before filing.

In this regard, the web interface should allow for exporting of data files containing all data input in the 1st stage so that the draft disclosure can be saved locally while the draft disclosure is verified offline. For example, where a law firm makes a disclosure for a client, the law firm may wish to send a copy of a the draft disclosure to the client for verification before filing.

The data files should be simple text files rather than Excel files as it is unreasonable to require persons to purchase a commercial product to comply with a statutory obligation.

After checking, the web interface should allow the data file to be imported back and, if necessary, amended before proceeding to the 2nd stage (*i.e.* actual filing).

- (c) **Market Capitalization** – The web interface should, on request, complete for the user details of the nominal value of the equity share capital of a listed corporation for the

relevant share class as this information is not always up-to-date on the HKEx website and share registrars of listed corporations are sometimes reluctant to provide the information.

2. TIMING OF PUBLICATION

To the extent that disclosures are price sensitive, all submissions for a relevant event on a given T day with a 3 business day filing requirement should be released at the same time on the 4th business day so that there is no impact on market transparency as a result of earlier or later filing.

3. LISTED CORPORATION REGISTERS

We do not see any need for listed corporations to keep registers as the information is otherwise available through the HKEx website.

**The Law Society of Hong Kong
Securities Law Committee
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