



## **Consultation Paper on Proposals to Expand the Paperless Listing Regime and Other Rule Amendments**

### **The Law Society's Submissions**

The Stock Exchange of Hong Kong Limited (the "SEHK") in December 2022 issued a consultation paper on "Proposals to Expand the Paperless Listing Regime and Other Rule Amendments" ("Consultation Paper")

In response, the Law Society provides the following submissions. The same abbreviations and definitions appearing in the Consultation Paper are used in this submission.

**Question 1** *Do you agree with our proposal to remove the documents identified in Table 1 in Schedule II and that doing so will not jeopardise market quality? Please give reasons for your views.*

#### **Law Society's response:**

Yes, we generally agree with the proposal, which should simplify the document preparation process and reduce unnecessary burden to submit information and materials which are substantially duplicative.

**Question 2** *Do you agree with our proposal to codify the relevant obligations into the Listing Rules or Guidance Materials and repeal the undertakings, confirmations and declarations as set out in Table 2 in Schedule II? Please give reasons for your views.*

#### **Law Society's response:**

We support the proposal to codify the obligations of the relevant directors and intermediaries in place of the relevant undertakings, confirmations and declarations. That would reduce administrative burden of the relevant parties without compromising their obligations.

**Question 3** *Do you agree with our proposal to repeal the requirement for listing agreements for listing of debt securities (except for debt issues to professional investors), structured products and interests in CIS and investment companies by codifying the relevant obligations as set out in Table 3 in Schedule II? Please give reasons for your views.*

**Law Society's response:**

Yes, we agree with the proposal in the light of the successful transition previously arranged to repeal the listing agreements for issuers of shares and debt securities (to professional investors only).

**Question 4** *Do you agree with our proposal to incorporate in the Listing Rules an issuer's obligation to obtain necessary authorisations and consents for its actions set out in Part (e) of Table 1 in Schedule II? Please give reasons for your views.*

**Law Society's response:**

Yes, we agree.

**Question 5** *Do you agree with our proposal to require the submission of the overarching undertakings from new applicants and sponsors in the Form A1 referred to in paragraph 38? Please give reasons for your views.*

**Law Society's response:**

Yes, we support the proposal to consolidate the relevant confirmation and undertakings in Form A1.

**Question 6** *Do you agree with our proposal to consolidate the requirement for personal particulars of directors/ supervisors in Form FF004? Please give reasons for your views.*

**Law Society's response:**

Yes, we support the proposal.

**Question 7** *Do you agree with our proposal to remove signature and/or certification requirements for documents set out in Table 5 in Schedule II? Please give reasons for your views.*

**Law Society's response:**

Yes, we support the proposal to remove signature and/or certification requirements which are not essential.

**Question 8** *Do you agree with our proposal to remove from the Listing Rules any requirement for submission of multiple copies of the same document and to require submission of one electronic copy only in respect of the documents set out in Table 6 in Schedule II? Please give reasons for your views.*

**Law Society's response:**

Yes, we support the proposal which is in line with the general trend to move towards electronic means and will simplify the submission process for listing applicants and issuers.

**Question 9** *Do you agree with our proposal to mandate electronic means as the only mode of submission to the Exchange unless otherwise specified in the Listing Rules or required by the Exchange? Please give reasons for your views.*

**Law Society's response:**

Yes, as explained in our response to Question 8 above. As certain documents to be submitted by listing applicants / issuers may have to be prepared and reviewed by different parties and advisers involved in the relevant matter before formal submission, the new Issuer Platform should provide for sufficient functionality (such as allowing drafts to be saved and revised before formal submission) to facilitate such process.

**Question 10** *Do you agree with our proposal to mandate the digitalisation of the prospectus authorisation and registration processes? Please give reasons for your views.*

**Law Society's response:**

Yes, we support the proposal.

**Question 11** *Do you agree with our proposal to amend the Listing Rules to mandate that listed issuers must disseminate corporate communications to their securities holders electronically if this is permitted by their applicable laws and regulations and their constitutional documents? Please give reasons for your views.*

**Law Society's response:**

Yes, we support the proposal on the basis that securities holders would have the right to request listed issuers for hard copies to be sent and those who have previously indicated their preference to receive hard copies will continue to receive them.

**Question 12** *Do you agree with our proposal to allow the consent of holders of a listed issuer's securities to be implied for the electronic dissemination of its corporate communications, to the extent permitted under applicable laws and regulations and its constitutional documents? Please give reasons for your views.*

**Law Society's response:**

Yes, we agree as the proposal is in line with the general trend to move towards electronic means.

**Question 13** *Do you agree with our proposal to state in the Rules that Actionable Corporate Communications must be sent to the securities holders individually and in electronic form if the holders provide functional electronic contact details? Please give reasons for your views.*

**Law Society's response:**

Yes, we agree with the proposal, provided that securities holders would have the right to choose to receive such communications in hard copies.

**Question 14** *Do you agree that where a listed issuer does not have functional electronic contact details of a securities holder, an Actionable Corporate Communication must be sent to the holder in hard copy form including a request for the security holder's electronic contact details to facilitate electronic dissemination of Actionable Corporate Communications in future? Please give reasons for your views.*

**Law Society's response:**

Yes, we agree.

**Question 15** *If your answer to Question 13 above is yes, do you agree that we should define Actionable Corporate Communications as "any corporate communication that seeks instructions from an issuer's securities holders on how they wish to exercise their rights as the issuer's securities holders"? Please give reasons for your views.*

**Law Society's response:**

We would suggest a minor amendment as follows: *“any corporate communication that seeks instructions from an issuer’s securities holders on how they wish to exercise their rights or make an election as the issuer’s securities holders”*.

**Question 16** *We invite comments on the manner in which the Appendices to the Listing Rules are proposed to be categorised/amended and whether they will give rise to any ambiguities or unintended consequences.*

**Law Society's response:**

We generally agree with the suggested approach.

**Question 17** *Do you agree with our proposal to remove the requirement for physical attendance by members to meet the quorum needed for meetings of the Listing Committee and Listing Review Committee? If your answer is “no”, please give reasons for your views.*

**Law Society's response:**

Yes, we agree with the proposal given the prevalence of virtual meetings in recent years, which would also facilitate attendance and participation by committee members.

**Question 18** *Do you agree with our proposal to make minor changes to the Listing Rules described in paragraph 122 to reflect current practices and requirements? If your answer is “no”, please give reasons for your views.*

**Law Society's response:**

Yes, we agree.

**The Law Society of Hong Kong  
28 February 2023**