



Consultation Paper on Listing Framework Competitiveness Review

Law Society Submissions

The Hong Kong Exchanges and Clearing Limited (HKEX) released a consultation paper on “Listing Framework Competitiveness Review” (“Consultation Paper”) on 13 March 2026.

In response, the Law Society provides the following submissions. Unless otherwise defined, the same abbreviations and definitions appearing in the Consultation Paper are used in this paper.

Question 1

Do you agree that the WVR Financial Eligibility Test thresholds should be lowered?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

As a general comment, we support the Exchange’s initiative to enhance Hong Kong’s attractiveness as a listing venue for high quality, high growth companies through targeted measures that balance investor protection. The proposed reduction of financial eligibility thresholds for WVR listings is consistent with that objective, noting that peer exchanges adopt less stringent financial eligibility requirements or simply do not impose such requirements at all, and so we support the proposal.

Question 2

If your answer to Question 1 is “yes”, do you agree with the proposed WVR Financial Eligibility Test thresholds (as set out in paragraph 91 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society’s response:

Yes.

See our response to Q1.

Question 3

Do you agree with the proposal to accept a 20:1 WVR Ratio Cap if an applicant has a market capitalisation of at least HK\$40 billion at the time of listing (see paragraph 103 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society’s response:

Yes.

We support the proposal as a means of attracting new WVR applicants with a large market capitalisation instead of a general increase in the WVR Ratio Cap, particularly when neither the UK nor the US has such requirement.

While we agree with the Exchange’s view that the proposal should not apply to existing WVR listed issuers, we would suggest that the Exchange review such position at some point, for example, with a view to aligning Hong Kong’s regulation in this respect with peer markets.

Question 4

Do you agree with the proposal that the Exchange may be prepared to accept the listing of an applicant whose WVR beneficiaries collectively hold a lower minimum economic interest at listing only if such lower underlying economic interest, at the time of the applicant’s initial listing: (a) represents at least 5% of the applicant’s total issued share capital; and (b) has an amount of at least HK\$4 billion (see paragraph 105 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

See our reasoning at Q3 which applies equally here. Please can the Exchange clarify the references in LR8A.12 and the note to: (i) "total issued share capital" – whether it should exclude treasury shares; and (ii) "minimum shareholding percentage" rather than "minimum underlying economic interest".

Question 5

Do you agree with the proposal to provide a choice of Route A and Route B that applicants can use to meet the Innovative Company Requirements (as set out in paragraph 126 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange's refinements to reflect existing vetting practice. As Hong Kong gains more experience with WVR issuers, we suggest that the Exchange consult the market in future on the necessity of the innovative requirement for WVR listings noting that such requirement does not apply to WVR listings in peer markets.

Question 6

If your answer to Question 5 is "yes", in respect of Route A, do you agree with:

- (a) the proposed retention of the current Specialist Company Presumptions (as set out in paragraph 127(a) of the Consultation Paper)?*
- (b) the proposed "innovative" presumption for Qualified Biotech Applicants and Qualified Specialist Technology Applicants (as set out in paragraphs 127(b), 132 and 133 of the Consultation Paper)?*

- (c) *the proposed refinements to the Innovative Characteristics that are applicable to Route A (as set out in paragraphs 127(c), 129 and 130 of the Consultation Paper)?*

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

Hong Kong has built a credible reputation as a biotech listing hub while the specialist technology listing route has not yet seen a similar uptake. We support the proposals which aim to attract further biotech and specialist tech listings to Hong Kong.

Question 7

If your answer to Question 5 is “yes”, do you agree with:

- (a) *the proposed refinements to the Innovative Characteristics that are applicable to Route B (as set out in paragraphs 129 and 131 of the Consultation Paper)?*
- (b) *the proposed guidance on the meaning of a “sophisticated investor” for the purpose of the “external validation” requirement (as set out in paragraph 134 of the Consultation Paper)?*
- (c) *the proposed guidance on what constitutes “meaningful third-party investment” for Route B applicants for the purpose of the “external validation” requirement (as set out in paragraph 135 of the Consultation Paper)?*

Please give reasons for your views and any alternative suggestions.

Law Society's response:

We will defer to sponsors and investment banks on whether the proposed brightline thresholds of 30% CAGR in revenue and 10% third-party investment for Route B applicants make financial sense. Please clarify if there is overlap between the 30% CAGR requirement and the requirement to demonstrate “high business growth” and if these requirements can be streamlined.

Question 8

If your answer to Question 2 is “yes”, do you agree with the proposal to lower the financial eligibility thresholds for a secondary listing of an overseas issuer with a

WVR structure to align them with those proposed for WVR issuers with a primary listing (see paragraph 173 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

See our reasoning at Q1.

Question 9

If your answer to Question 8 is “yes”, do you agree with the proposal to lower the market capitalisation threshold under Criteria B from HK\$10 billion to HK\$6 billion (see paragraph 177 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange’s rationale for the proposal.

Question 10

Do you agree with the proposal to retain the market capitalisation threshold under Criteria A (see paragraph 178 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with retaining HK\$3 billion as the threshold under Criteria A (being 50% of the proposed threshold under Criteria B).

Question 11

What measures (if any) do you think the Exchange should implement to further facilitate the listings, in Hong Kong, of issuers listed overseas (see paragraphs 198 and 199 of the Consultation Paper)?

Please give reasons and specify any accompanying conditions for your suggested measures.

Law Society's response:

We welcome consideration of measures to facilitate listings of overseas issuers, such as: (i) measures to harmonise prospectus disclosures between the home market and Hong Kong; (ii) reduction of the compliance track record period under Criteria A for secondary listings (currently five years); and (iii) a dedicated channel at the Exchange to guide and advise prospective overseas issuers.

We support consideration of measures to attract high quality issuers listed overseas (from Greater China and beyond) to foster a more dynamic and diverse market environment.

Question 12

Do you agree with the proposal to codify the existing guidance into a Rule to state that an applicant will be considered to have satisfied the Ownership Continuity Requirement if it can demonstrate, to the Exchange's satisfaction, that there was no material change in influence on management during the Relevant Period despite the change in controlling shareholder over that period to address any packaging concerns (see paragraphs 205 and 206 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange's rationale for the codification.

Question 13

If your answer to Question 12 is “yes”, do you agree with the proposed consequential updates to our guidance (as set out in paragraph 207 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange’s rationale for the codification.

Question 14

Do you agree with the proposal to expand the permitted use of US GAAP (as set out in paragraph 213 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange’s rationale for the proposal.

Question 15

Do you agree with the proposal to remove the requirement that a US-listed issuer using US GAAP must revert to preparing financial statements using HKFRS or IFRS if it subsequently delists from the US (see paragraph 214 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange’s rationale for the proposal.

Question 16

Do you agree with the proposal to remove the requirement for a Reconciliation Statement produced for the purpose of unaudited financial results to be reviewed by auditors (see paragraph 215 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange's rationale for the proposal.

Question 17

Do you agree with the proposal to allow Eligible Specialist Companies to seek a listing under the applicable Specialist Chapters (see paragraph 232 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange's rationale for the proposal.

Question 18

If your answer to Question 17 is "yes", do you agree with the proposed modifications to the additional requirements under the Specialist Chapters to be imposed on Eligible Specialist Companies (as set out in paragraph 233 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange's rationale for the modifications.

Question 19

Do you agree with the proposal to remove the Publication Requirements for all listing applicants, such that a listing applicant (including a listing applicant associated with an Issuer-related Listing Application) may choose not to publish its AP at the time it submits its listing application, in which case it would only be required to publish an OC Announcement on the same date as it publishes its PHIP (as set out in paragraph 260 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We support extending the option for confidential filing to all listing applicants which would bring Hong Kong in line with peer exchanges. We agree this should be at applicants' discretion as some may wish to publish earlier to facilitate investors' assessment.

Question 20

If your answer to Question 19 is "yes", do you agree with:

- (a) the proposal that, in addition to the existing Return Application Details, the identities of other professional parties responsible for the Application Materials also be displayed on the designated webpage of the Exchange (as set out in paragraphs 264 to 265 of the Consultation Paper)?*
- (b) the list of professional parties proposed to be considered as responsible for the Application Materials for the above purpose (as set out in Box 1 under paragraph 265 of the Consultation Paper)?*

Please give reasons for your views and any alternative suggestions.

Law Society's response:

We consider that it would not be appropriate to name various professional parties in respect of a Return Decision without providing sufficient details on their involvement (if any) in the matter including how their actions or roles may have contributed to, or been relevant to, the Return Decision; and/or giving them reasonable opportunities to respond to the Return Decision. The captioned proposal may lead to unnecessary or

unintended effects (e.g. damages in professional reputation) to the professional parties concerned.

Under the applicable rules, the Sponsor has overall responsibility for the completeness of the Application Proof. While other professional advisers provide essential inputs, the Sponsor is uniquely positioned to lead, coordinate and monitor the entire listing application process, including setting the timeline and assessing the adequacy of disclosures. Publicly naming various professional parties risks unfairly imputing collective blame for deficiencies that may lie outside any individual firm's scope of responsibility, while diluting the Sponsor's central gatekeeper role. The Exchange and the SFC already possess robust supervisory, investigation and disciplinary powers, expanding public naming does not add meaningful investor protection. Any concerns regarding substandard prospectuses should be addressed through more stringent vetting of the qualifications of the responsible officers of a sponsor and members of their team, coupled with enhanced enforcement where deficiencies are identified. A Sponsor's primary accountability should not be outsourced.

We would like to draw the Exchange's attention to the importance of ensuring that the proposal should not, in any way, affect the Memorandum of Understanding ("MOU") signed between the Law Society and the Exchange on 18 December 1996 for which an Explanatory Note on the MOU has already been incorporated into the Hong Kong Solicitors' Guide to Professional Conduct. We stress that the Law Society is the statutory regulator for solicitors in Hong Kong. Under the MOU, the Exchange also recognises that the Law Society regulates conduct of solicitors in Hong Kong and that the Law Society has established well defined disciplinary procedures.

Question 21

Do you agree with the proposal to amend the starting point of the 8-week moratorium to either: (a) the date on which all applicable review procedures in respect of the Listing Division's decision to return the listing application have been completed; or (b) the date on which the time period for invoking any such review procedures has lapsed (as set out in paragraph 266 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange's rationale for the proposal.

Question 22

If your answer to Question 19 is “yes”, do you agree with the consequential changes to issuers’ disclosure obligations in relation to Issuer-related Listing Applications (as set out in paragraph 267 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Law Society's response:

Yes.

We agree with the Exchange’s rationale for the consequential amendments.

**The Law Society of Hong Kong
8 May 2026**