



## HKEX Launches Major Consultation on Listing Framework Reform

**Proposed changes to WVR structures, secondary listing thresholds, innovative company requirements, and confidential filing aim to sharpen Hong Kong's competitive edge**

The Stock Exchange of Hong Kong Limited (the **HKEX**) published a comprehensive [Consultation Paper proposing wide-ranging reforms to its listing framework](#) on 13 March 2026. The proposals represent the most significant overhaul since the landmark 2018 Listing Reforms that introduced weighted voting rights (**WVR**), Biotech Company listings, and an enhanced secondary listing regime. Driven by intensifying global competition for listings — particularly from the US — and supported by calls from the HKSAR Government, the Financial Services Development Council, and market practitioners, the HKEX seeks to broaden the diversity of listed companies while maintaining robust investor protections. This newsletter summarises the key proposals across the Consultation Paper's five chapters, covering WVR reforms, secondary listing enhancements, initial listing eligibility, confidential filing and related measures.

The cut-off date for responding to the Consultation Paper is Friday, 8 May 2026.

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### SECTION 1 Background: Why Reform Now?

The Consultation Paper is set against a backdrop of significant regulatory evolution in competing jurisdictions. The UK collapsed its “premium” and “standard” listing segments into a single category and relaxed WVR restrictions in July 2024. Singapore announced its development of an SGX-Nasdaq dual listing bridge (the **Global Listing Board**) in November 2025, with consultation papers on proposed new regulations published in January 2026. Australia has streamlined its IPO process and expanded its list of approved foreign markets. The US SEC has taken steps to reduce compliance burdens - including exploring a shift from quarterly to semi-annual reporting - while simultaneously tightening requirements for Greater China issuers, which could make it more costly and challenging for these issuers to list on US exchanges.

The competitive stakes are substantial. As at the end of 2025, over 400 Greater China Issuers with a combined market capitalisation of US\$1.54 trillion (HK\$12.0 trillion) were listed in the US. Of those not yet listed in Hong Kong, 57 companies — representing about 70% by market capitalisation — would appear financially eligible to list

on the HKEX but have not done so. Since the 2018 Listing Reforms, almost 300 Greater China Issuers listed in the US, raising US\$40 billion. Critically, 223 of these would not have been financially eligible for listing in Hong Kong, representing 39.5% of total IPO funds raised by Greater China Issuers in the US during that period.

<b>400+</b>	<b>HK\$12.0T</b>	<b>377</b>	<b>US\$40.0B</b>
<b>Greater China Issuers listed in the US (end of 2025)</b>	<b>Combined market capitalisation</b>	<b>Not yet listed in Hong Kong</b>	<b>IPO funds raised by Greater China Issuers in the US since 2018</b>

The HKEX also aims to attract Southeast Asian issuers. Of the 22 Southeast Asian companies that listed in the US since the 2018 Listing Reforms, 14 (63.6%) operated in new economy sectors, highlighting the competitive opportunity Hong Kong is missing.

## SECTION 2

### Chapter 2: WVR Regime Reforms

The proposals in Chapter 2 address three interconnected areas of the WVR regime: financial eligibility thresholds, the WVR Ratio Cap, and the Innovative Company Requirements. Together, they are designed to widen the pool of eligible WVR applicants while preserving safeguards against the proliferation of WVR structures, which currently represent about 1.2% of all HKE-listed issuers by number and 14.7% by market capitalisation.

#### I. WVR Financial Eligibility Thresholds

The HKEX proposes to halve the market capitalisation thresholds for WVR listings. Under the proposed changes, WVR Test A would require an expected market capitalisation of at least HK\$20 billion (down from HK\$40 billion), and WVR Test B would require an expected market capitalisation of at least HK\$6 billion together with revenue of at least HK\$600 million for the most recent audited financial year (down from HK\$10 billion market capitalisation and HK\$1 billion revenue). These reductions are intended to expand access to the WVR regime whilst ensuring that only relatively large companies with established revenue records are eligible.

Test	Current Requirement	Proposed Requirement
<b>WVR Test A</b>	<b>Market cap ≥ HK\$40 billion</b>	<b>Market cap ≥ HK\$20 billion</b>
<b>WVR Test B</b>	<b>Market cap ≥ HK\$10 billion + Revenue ≥ HK\$1 billion</b>	<b>Market cap ≥ HK\$6 billion + Revenue ≥ HK\$600 million</b>

#### II. WVR Ratio Cap: From 10:1 to 20:1

The HKEX proposes to allow applicants with a market capitalisation of at least HK\$40 billion at the time of listing to adopt a WVR Ratio Cap of up to 20:1, doubling the current maximum of 10:1. This change would bring Hong Kong more closely in line with the US and UK, where higher ratios are permitted. Three Grandfathered Greater China Issuers already have secondary or dual primary listings on the Exchange with ratios of 15:1 or 20:1, so the proposal effectively codifies an arrangement that already exists for a small number of issuers.

The HKEX does not propose to allow existing WVR issuers to increase the number of votes their WVR shares carry. The relaxation is limited to large-cap issuers on the basis that WVR beneficiaries of such issuers would collectively hold a sufficiently large economic stake (at least HK\$4 billion) to align their interests with those of minority shareholders.

#### Minimum Economic Interest at Listing

The HKEX currently has discretion to accept a WVR shareholding percentage below 10% at listing. The proposal codifies this discretion with explicit floors: the WVR beneficiaries' collective economic interest must represent at least 5% of total issued share capital and at least HK\$4 billion in absolute terms. In practice, this means an applicant with a market capitalisation of HK\$80 billion or more could list with WVR beneficiaries holding as little as 5%, whilst an applicant between HK\$40 billion and HK\$80 billion would need a higher percentage to meet the HK\$4 billion dollar floor.

#### III. Innovative Company Requirements: Route A and Route B

The HKEX proposes to restructure the Innovative Company Requirements into two distinct pathways:

- **Route A** is for applicants whose innovativeness lies in the technologies they adopt — technologies that are either novel in themselves or essential to the novelty of the applicant’s core business.
- **Route B** is a new pathway for applicants whose success is attributable to a new business model, which may not necessarily be enabled by technology.

Both routes require the HKEX-listing applicant to possess the “Novelty Characteristic”, with a proposed modification to clarify that an applicant need not be the absolute first mover but may be one of the first few in its industry to adopt the relevant technology (Route A) or business model (Route B). This codifies the HKEX’s existing vetting practice.

**For Route A**, an applicant would also need to demonstrate more than one of the R&D Characteristics, the IP Characteristic (revised to focus on IP rather than the vaguer unique features) and the Outsized Market Cap Characteristic.

**For Route B**, an applicant would normally need to demonstrate all of two new characteristics: a compound annual growth rate (**CAGR**) in revenue of at least 30% over the track record period (the **CAGR Growth Characteristic**) and a relatively prominent position in its industry (the **Industry Position Characteristic**). These objective criteria are designed to validate the applicant’s innovativeness in the absence of technology-based success indicators.

**New Innovative Presumptions:** The Exchange proposes that Qualified Biotech Applicants (those that have commercialised at least one Core Product, maintained R&D during the 12 months prior to listing and own related IP) and Qualified Specialist Technology Applicants (those that have commercialised Specialist Technology Products and meet the relevant R&D expenditure test) be presumed to meet the Innovative Company Requirements under Route A — even if they do not seek to list under the Specialist Chapters. These applicants would still need to meet the success of the company and external validation requirements.

### External Validation Guidance

The HKEX proposes to provide further guidance on what constitutes a sophisticated investor for external validation purposes, assessing investors by reference to net assets or assets under management, relevant investment experience and knowledge and expertise. For Route B applicants, a quantified minimum investment threshold is proposed: at least one sophisticated investor holding shares equivalent to at least 10% of the applicant’s issued share capital at listing, with the HKEX prepared to accept a lower percentage for issuers with an expected market capitalisation over HK\$20 billion where the investment is substantial in absolute dollar terms.

## SECTION 3 Chapter 3: Secondary Listing and Homecoming Reforms

### I. Lowering Financial Eligibility Thresholds

In alignment with the WVR threshold reductions in Chapter 2, the HKEX proposes to lower the financial eligibility thresholds for secondary listings of overseas issuers with WVR structures. Specifically, WVR Test A for secondary listing would be reduced to a market capitalisation of at least HK\$20 billion, and WVR Test B to a market capitalisation of at least HK\$6 billion with revenue of at least HK\$600 million.

For non-WVR overseas issuers, the HKEX proposes to reduce the market capitalisation threshold under Criteria B (two-year track record on a Qualifying Exchange) from HK\$10 billion to HK\$6 billion. The Criteria A threshold (five-year track record, HK\$3 billion market capitalisation) would remain unchanged. This ensures that financial eligibility requirements for non-WVR secondary listings are not more stringent than those for WVR issuers.

Secondary Listing Route	Current		Proposed
<b>WVR Test A</b>	Market cap ≥ HK\$40B	->	Market cap ≥ HK\$20B
<b>WVR Test B</b>	Market cap ≥ HK\$10B + Rev ≥ HK\$1B	->	Market cap ≥ HK\$6B + Rev ≥ HK\$600M
<b>Non-WVR Criteria A</b>	Market cap ≥ HK\$3B (5-yr track record)	->	No change
<b>Non-WVR Criteria B</b>	Market cap ≥ HK\$10B (2-yr track record)	->	Market cap ≥ HK\$6B

### II. Streamlining Conversion to Primary Listing

The HKEX acknowledges market feedback that its existing guidance on changing listing status from secondary to dual primary or primary listing is overly complex and lengthy. Whilst no substantive changes to the requirements are proposed, the HKEX will redraft the guidance for Migration, Primary Conversion and Overseas Delisting routes to clearly identify commonalities and differences, provide more practical step-by-step guidance and facilitate smoother transitions. The HKE will also proactively engage with US-listed Greater China Issuers to identify and address potential regulatory issues.

### III. Further Facilitative Measures for Overseas-Listed Issuers

The Consultation Paper seeks open-ended views on additional measures to facilitate listings by overseas issuers. Stakeholder suggestions noted in the paper include providing a grace period for applicants with non-compliant WVR structures, reviewing existing disclosure requirements for secondary listings (noting that other markets commonly allow incorporation by reference of previously filed documents) and introducing a dedicated advisory channel for prospective issuers. The HKEX notes that Singapore's proposed SGX-Nasdaq Global Listing Board would offer facilitative measures such as single prospectus usage, aligned IPO timelines and safe harbour provisions — developments that underscore the need to assess whether Hong Kong's regime remains competitive.

**Grandfathering Arrangements:** Grandfathered Greater China Issuers and Non-Greater China Issuers may retain pre-existing non-compliant WVR structures (including multiple share classes, corporate WVR beneficiaries and ratios over 10:1) when seeking secondary or dual primary listing. Non-Grandfathered Greater China Issuers must fully comply with Hong Kong's WVR requirements, although some have been permitted up to six months post-listing to bring structures into compliance.

## SECTION 4 Chapter 4: Confidential Filing for All Listing Applicants

In one of the most structurally significant proposals, the HKEx proposes to remove the mandatory Application Proof (**AP**) Publication Requirements for all listing applicants. Currently, applicants must publish their AP and an OC Announcement on the HKEX's website upon submitting a listing application. Only Eligible Applicants — secondary listing applicants under certain routes, Biotech Companies and Specialist Technology Companies — may file confidentially.

Under the proposal, all applicants (including those associated with Issuer-related Listing Applications such as spin-offs, GEM Transfers and reverse takeovers) would be permitted to elect confidential filing. An applicant choosing confidential filing would only be required to publish an OC Announcement on the same date it publishes its Post Hearing Information Pack (**PHIP**), which is the near-final draft listing document published after the HKEX issues a post hearing letter. This aligns Hong Kong's practice more closely with the US, where confidential filing has long been available.

### Strengthened Return Mechanism

To compensate for the removal of mandatory early publication and maintain the quality of listing documents, the HKEX proposes two enhancements to its Return Mechanism:

- where a listing application is returned by the HKEX, the identities of all professional parties responsible for the Application Materials — including sponsors, legal advisers, reporting accountants, auditors, industry consultants and other consenting experts — would be publicly displayed on the HKEX's website, in addition to the existing disclosure of the listing applicant's and sponsor's names; and
- the starting point of the eight-week moratorium (during which a returned applicant may not re-file) would be extended from the date of the Listing Division's return decision to either the date all applicable review procedures have been completed or the date the time for invoking such review procedures has lapsed.

### Consequential Changes for Issuer-related Listing Applications

The proposal introduces consequential adjustments for specific listing applications involving existing issuers. For spin-offs, a listed parent would announce the spin-off upon publication of the SpinCo's PHIP rather than at the time of the listing application. For GEM Transfers under Chapter 9A, GEM issuers would publish a PHIP and announce the transfer application at that time. For streamlined GEM Transfers under Chapter 9B, the requirement to announce the submission of the application would be removed, though the announcement of the HKEX's formal in principle approval would remain.

The HKEX emphasises that the duties and responsibilities of issuers and sponsors would remain unchanged, and all existing regulatory safeguards — including the enhanced vetting timeframe, the power to suspend vetting for incomplete responses and disciplinary measures for substandard sponsor work — would continue to apply. For IPOs completed in 2025, the average interval between publication of the PHIP and the date of the prospectus was 6.4 business days. The HKEX notes that the PHIP, being substantially closer to the final listing document than the AP, provides a more certain basis for research analysts and investors.

## Key Takeaways and Implications

**A measured expansion of the WVR regime.** The proposals represent a calibrated loosening rather than a wholesale liberalisation. By halving market capitalisation thresholds whilst simultaneously codifying minimum economic interest floors and limiting the 20:1 ratio to issuers above HK\$40 billion, the HKEX seeks to widen access for mid-to-large cap innovative companies without opening the door to smaller, potentially riskier issuers.

The combination of Route A and Route B for the Innovative Company Requirements — with distinct, objective criteria for each — reflects the HKEX’s experience since 2018 in vetting a diverse range of WVR applicants and its desire to provide greater certainty and transparency to the market.

**Homecoming listings in focus.** The lowering of secondary listing thresholds across both WVR and non-WVR categories, together with the streamlining of conversion processes, sends a clear signal that Hong Kong is positioning itself as the preferred destination for China Concept Stock companies returning from US exchanges. With 57 financially eligible Greater China Issuers not yet listed in Hong Kong and US regulators potentially tightening requirements for foreign private issuers, the timing is deliberate. The open-ended Question 11 on further facilitative measures suggests the HKEX is willing to consider more radical changes — such as incorporation by reference of overseas filings — if market feedback supports them.

**Confidential filing as a competitive lever.** The extension of confidential filing to all HKEX-listing applicants removes what many market participants have viewed as a competitive disadvantage relative to the US, where confidential submission has been broadly available since 2017. By coupling this with a strengthened Return Mechanism — including public naming of all professional advisers involved in returned applications and an extended moratorium — the HKEX aims to maintain listing document quality through reputational and operational incentives rather than mandatory early disclosure.

**Global competitive dynamics.** The Consultation Paper is candid about Hong Kong’s competitive position. The acknowledgement that US requirements are less relevant to competitiveness than those of non-US markets — because Greater China Issuers typically choose between Hong Kong and the US — focuses the analysis where it matters most. The detailed statistical analysis of ineligible listings and missed IPO proceeds provides empirical grounding for the proposed threshold reductions and creates a compelling narrative for reform.

## Regulatory Developments Across Key Markets

Jurisdiction	Key Recent Reforms
UK	Collapsed premium/standard segments into single listing category; relaxed WVR restrictions; reduced continuing obligations for significant and related party transactions (July 2024)
Singapore	Shifted to a more disclosure-based regime; reduced profit test thresholds; provided listing pathways for pre-revenue companies; announced SGX-Nasdaq Global Listing Board dual listing bridge (2025–2026)
Australia	Streamlined IPO process; expanded list of approved foreign markets; published roadmap for targeted regulatory changes for IPOs, listings and market participants (2025)
US	Expanded confidential filing for follow-on offerings; exploring shift to semi-annual reporting; Nasdaq tightened listing standards for small-cap and China-based issuers; SEC concept release on foreign private issuer definition (2025–2026)

## SECTION 5 Summary of Key Proposals

### A. WVR listings (Chapter 2)

#### I. Financial eligibility

- **WVR Test A:** Reduce the market capitalisation threshold for listing with a WVR structure from HK\$40 billion to HK\$20 billion.
- **WVR Test B:** Reduce the market capitalisation threshold for listing with a WVR structure from HK\$10 billion to HK\$6 billion and reduce the revenue requirement from HK\$1 billion to HK\$600 million.

## II. Voting power and economic interest

- Weighted voting ratio cap: Allow a weighted voting ratio cap of up to 20 votes per WVR share 4 if the applicant has a market capitalisation of at least HK\$40 billion at listing.
- Minimum economic interest at listing: May accept a lower minimum WVR shareholding percentage5 only if such underlying economic interest, at the time of the applicant's 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.

## III. Innovativeness and other suitability requirements

### ***Innovative Company Requirements***

- **Refined into two routes:**
  - o **Route A** (Technology): adoption of technologies that are novel, in themselves, or essential to the novelty of the applicant's core business; or
  - o **Route B** (Business model): the applicant's success is attributable to the application of a new business model.
- **Innovative Characteristics:** Applied in a bespoke manner to Route A and Route B. In addition to the Novelty Characteristic:
  - o Route A applicants would be expected to demonstrate their innovativeness based on more than one of the R&D, IP and Outsized Market Cap Characteristics; and
  - o Route B applicants would be expected to demonstrate their innovativeness based on both the CAGR Growth and Industry Position Characteristics.
- **Innovative presumption:** Qualified Biotech Applicants and Qualified Specialist Technology Applicants would be presumed to meet Route A

### ***External validation***

- **Sophisticated investor:** Provide further guidance on the meaning of a "sophisticated investor" by reference to existing guidance for SPACs and Specialist Technology Companies.
- **Minimum investment:** Provide greater certainty on our expectations regarding "meaningful third-party investment" by setting a 10% aggregate investment threshold for HKEX-listing applicants pursuing Route B.

## **B. Issuers listed overseas (Chapter 3)**

### I. Qualification requirements for secondary listings

#### **A. Issuers with WVR structures**

- **Financial eligibility:** Lower the financial eligibility thresholds to align with the proposed thresholds for primary listings (see Row I under "WVR listings" above).

#### **B. Issuers without WVR structures**

- **Financial eligibility:** Lower the market capitalisation threshold for listing 12 from HK\$10 billion to HK\$6 billion.

## II. Further facilitative measures for issuers listed overseas

- **Facilitative measures:** Seek views on possible measures to further facilitate the listings, in Hong Kong, of issuers listed overseas.

## III. Conversion to primary listing

- **Enhance guidance:** Redraft HKEX requirements for conversion to primary listing and provide more guidance on typical steps required for compliance.

# C. Initial listing requirements and listing arrangements (Chapter 4)

## I. Ownership continuity and control

- **Codify existing guidance:** Clarify that an applicant will be considered to have satisfied the ownership continuity and control requirement if it can demonstrate that there was no material change in influence on management during the relevant period 13 despite a change in ownership during that period to address any packaging concerns.

## II. Financial reporting standards

- **Use of US GAAP:** Expand permitted use of US GAAP to:
  - (a) subsidiaries of US listed parents seeking to list on the HKEX and
  - (b) companies with substantial business operations in the US.
- **Reversion to HKFRS or IFRS:** Remove the requirement that US GAAP reporter must revert to HKFRS or IFRS upon a US delisting.
- **Reconciliation Statement:** Remove the requirement for a Reconciliation Statement included in unaudited financial statements to be reviewed by auditors.

## III. Commercialised Biotech and Specialist Technology Applicants

- **Route to listing:** Allow these applicants to seek a listing as a Biotech Company or Specialist Technology Company, even if they are financially eligible to list under our ordinary route to listing.

## IV. Confidential filing

- **Extend to all new HKEX listing applicants:** Permit any new applicant to choose not to publish its Application Proof at the time of filing its listing application, with enhancements to the Return Mechanism to display the identities and roles of the professional parties.

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