

Updated: 24/03/2014

Exchange Continues Initial 3-day Check of Application Proofs to 30 September

Given that the new sponsor regime is still at an early stage with limited listing applications submitted since the new regime took effect on 1 October 2013, The Stock Exchange of Hong Kong Limited (the Exchange), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx), has decided after consultation with the Securities and Futures Commission (SFC) to continue the Initial 3-day Check of Application Proofs¹ from 1 April to 30 September 2014, both dates inclusive, to allow more time for market practitioners to familiarise themselves with the new regime.

The Initial 3-day Check was one of the transitional arrangements the Exchange put in place when it amended the Listing Rules and published new and revised guidance to complement the SFC's new sponsor regulations (please see news release dated [23 July 2013](#) for details). Under the arrangement, the Exchange accepts listing applications for detailed vetting only after it completes an Initial 3-day Check of the Application Proof based on the prescribed checklist in Guidance Letter HKEx-GL56-13.

When the transitional arrangements, covering 1 October 2013 to 30 September 2014, both dates inclusive, were announced, the Exchange said the Initial 3-day Check would be reviewed during the first six months of the transitional period to see whether it should be continued for the remainder of or after the transitional period.

New Guidance Letter and Revised 3-day Checklist

During the effectiveness review of the Initial 3-day Check, the Exchange received feedback from the market and fine-tuned certain guidance letters to make the relevant requirements clearer. The Exchange published today a new [Guidance Letter HKEx-GL74-14](#) to provide guidance on what constitutes a failure of the Initial 3-day Check. The 3-day checklist has also been revised to provide clarity on matters to be disclosed in certain individual section of the Application Proof.

The Exchange reminds listing applicants and sponsors that failure to include the matters under the 3-day checklist may lead to the listing application being returned for not being substantially complete. Since it is an initial check, only limited qualitative assessment will be carried out. An acceptance of a listing application after the Initial 3-day Check does not deem the application to be substantially complete. The Exchange and/or the SFC reserve the right to return an application which is not substantially complete after a more qualitative assessment. Accordingly, the Exchange expects that the information submitted for a listing application must be substantially complete except for information that by its nature can only be finalised and incorporated at a later date (Main Board Listing Rule 9.03(3) and GEM Listing Rule 12.09).

Reminder regarding changes effective 1 April 2014

The Exchange reminds listing applicants, sponsors and other market practitioners that the requirement to publish an Application Proof on the HKExnews website will commence on 1 April 2014. Any Application Proof submitted to the Exchange will only be published on the HKExnews website:

- in the case of an applicant for equity securities, when the Exchange accepts the listing application for detailed vetting after completion of the Initial 3-day Check of the Application Proof; or
- in the case of an applicant for a collective investment scheme which is required to publish its Application Proof under Main Board Listing Rule 20.25, when the collective investment scheme applicant notifies the Exchange that the SFC has formally taken up its authorisation application.

Listing applicants will be required to submit both English and Chinese version of Application Proofs for publication on the HKExnews website.

An Application Proof will not be published on the HKExnews website if an application failed the Initial 3-day Check and is consequently returned. If the application is accepted for detailed vetting after the Initial 3-day Check but is returned after a qualitative assessment, the Application Proof published on the HKExnews website will be removed from the website. Returned listing applications (regardless of whether they are returned during or after the Initial 3-day Check), where all related review procedures on the decision to return the application have been completed or the time for invoking them has lapsed, will be subject to an 8-week moratorium, and the names of the listing applicants and sponsors, and the return dates will be published on the HKExnews website.

Online resources

The Rule Amendments ([Main Board](#) and [GEM](#)), [Guidance Letters](#) and [FAQs](#) on the streamlined vetting process and related interpretation are available on the HKEx website. Market practitioners should consult the Exchange at an early stage on any novel or unusual issues.

- ¹ Application Proof is defined in Chapter 1 of the Listing Rules as: in the case of a new applicant, a draft listing document that is required to be substantially complete and is submitted to the Exchange together with a listing application form for listing its equity securities under Chapter 9 of the Main Board Listing Rules/ Chapter 12 of the GEM Listing Rules; in the case of a new collective investment scheme applicant with a listing agent appointed which is required to discharge the functions equivalent to those of a sponsor, a draft listing document that is submitted to the SFC together with an application for authorisation of the collective investment scheme for the purpose of listing its interests on the Exchange.

Ends