

HKEX News Update: Consultation Conclusions on Proposals to Expand Paperless Listing Regime

On 30 June 2023, the Stock Exchange published a [Consultation Conclusions](#) to its [Consultation Paper](#) regarding proposed expansion of paperless listing regime.

The key changes include:

Mandating electronic dissemination of corporate communications

- All listed issuers must **disseminate corporate communications** to their **securities holders electronically** if it is **permitted** by their **applicable laws and regulations** and their **constitutional documents**, which can be satisfied by the listed issuers (i) sending or making available the corporate communications to the securities holders using electronic means; or (ii) making the corporate communications available on their websites and the Exchange's website;
- Listed issuers must **indicate on their websites** how they will send or make corporate communications available to their securities holders;
- Listed issuers will only send corporate communications **in printed form** to a securities holder **upon request** and they must also disclose, on their websites, the arrangements for requesting a hard copy; and
- Listed issuers should send a **one-time notification** to their holders individually, in hard copy or electronically, to (i) inform them of the new arrangements on dissemination of corporate communications (**before implementation of such new arrangements**); and (ii) solicit their electronic contact details.

Implied consent for electronic dissemination of corporate communications

- The **removal** of the current rules provisions concerning the **consent mechanism** for disseminating corporate communications electronically **enables** listed issuers to rely on securities holders' **implied consent** if it is **permitted** by their **applicable laws and regulations**;
- The Companies Ordinance does not permit implied consent, as such **Hong Kong-incorporated listed issuers** must obtain **express consent** or "**deemed consent**" for electronic dissemination of corporate communications from the securities holders; and
- The Financial Services and the Treasury Bureau (**FSTB**) published a [Public Consultation](#) on the proposal to promote paperless corporate communications for Hong Kong incorporated companies, which includes introducing an implied consent mechanism and streamlining the notification requirement for disseminating corporate communications by means of website. Consultation will close on 26 January 2024 with an introduction of an amendment bill to the Legislative Council in the 2H of 2024.

Mandating Actionable Corporate Communications to be sent to securities holders individually and in electronic form

- Listed issuers must send **Actionable Corporate Communications, which seek instructions from securities holders on exercising their rights or making election, individually** and in **electronic form** rather than making them only available on their websites and the Exchange's websites;
- In case 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 the future).

Reducing the number of submission documents and mandating electronic submission to the Stock Exchange

- Codifying obligations set out in various undertakings, confirmations and declarations into the Listing Rules and Guidance Materials instead of requiring the submission of these documents;
- Removing unnecessary submission requirements, which reiterate or overlap with obligations already prescribed in the Listing Rules or Guidance Materials;
- Consolidating the submission requirements for personal particulars of directors/supervisors by combining Part 1 of the Directors' Undertaking Form with Form FF004 and renaming the form the "Personal Details Form";
- Removing unnecessary signature or certification requirements; and
- Mandating electronic submission of all documents to the Stock Exchange, unless otherwise specified in the Listing Rules or required by the Stock Exchange.

The related revised GEM Listing Rules and Main Board Listing Rules came into effect on **31 December 2023** with **transitional arrangements in respect of electronic dissemination of corporate communications**.

Transactional Arrangements in respect of electronic dissemination of corporate communications

Listed issuers are required to amend their constitutional documents only if they contain **provisions** that **restrict the electronic dissemination** of corporate communications as below:

- Listed issuers that are **not prohibited by applicable laws and regulations** from complying with the relevant amended Rules will have until their first annual general meeting following 31 December 2023 to make necessary amendments; and
- Listed issuers that are unable to comply with the relevant amended Rules due to **restriction under any applicable laws and regulations** will have until their first annual general meeting following the date on which the relevant restrictions are removed from the applicable laws and regulations to make the necessary amendment.

To view the full details of HKEX's news, please click [HERE](#).

To view the amended Listing Rules, related Guidance Materials, FAQ, and revised Checklists, Forms and Templates, please click [HERE](#).