

## Frequently Asked Questions Series 24 (Released on 26 July 2013, last updated in September 2020)

### **Listing Rule changes to complement the Securities and Futures Commission's New Sponsor Regulation effective on 1 October 2013**

#### **Status of "Frequently Asked Questions"**

The following frequently asked questions (FAQs) are designed to help applicants and professional advisers including sponsors to understand and comply with the Listing Rule changes to complement the Securities and Futures Commission's ("**Commission**") new sponsor regulation effective on 1 October 2013, particularly in situations not explicitly set out in the Listing Rules or where further clarification may be desirable.

Users of the FAQs should refer to the Rules themselves together with the relevant Guidance Letters and, if necessary, seek qualified professional advice. The FAQs are not substitutes for the Listing Rules. If there is any discrepancy between the FAQs and the Rules, the Rules prevail..

In formulating our "*responses*", we may have assumed certain underlying facts, selectively summarised the Rules or concentrated on one particular aspect of the question. They are not definitive and do not apply to all cases where the scenario may at first appear similar. In any given case, regard must be given to all the relevant facts and circumstances.

The Listing Division may be consulted on a confidential basis. Please contact the Listing Division at the earliest opportunity with any queries.

No.	Relevant Rules and Guidance	Query	Response
1.	Main Board – Rule 12.01A and 12.01B GEM – Rule 16.01A and 16.01B	The Application Proof is usually revised several times during the vetting process. Is an applicant required to publish all proofs of the listing document on the Exchange’s website?	No. An applicant is only required to publish three versions of the listing document: (i) its Application Proof, which is the draft listing document submitted with a listing application form; (ii) its PHIP; and (iii) the final listing document on the Exchange’s website. [Updated in February 2020]
2.	Main Board – Rules 9.03(3) and 9.11(1) GEM – Rules 12.09(1) and 12.22(1) Guidance Letter HKEX-GL55- 13	What are the “ <i>other relevant documents</i> ”/ “other documents” referred to in the Listing Rules that should be submitted and included in the CD –ROMs at the same time of filing a listing application?	They are documents referred in items 3 to 7 of Attachment I and items 3 to 14 of Attachment II in Guidance Letter HKEX- GL55-13, where applicable. <b>(Updated on 13 July 2018)</b>
3.	Main Board – Rules 3A.02A(1) and 3A.02B(1) GEM – Rules 6A.02A(1) and 6A.02B(1)	Under Main Board Rule 3A.02B(1)/ GEM Rule 6A.02B(1) requires a listing application to be submitted by or on behalf of a new applicant no less than 2 months from the date of the sponsor’s formal appointment. How is the “date of the sponsor’s formal appointment” determined?	It shall be the later of the date of (i) the engagement letter; or (ii) the effective date of the sponsor’s appointment as stated in the engagement letter (if applicable). However, if a sponsor fails to notify the Exchange in writing of its appointment as soon as practicable as required under Main Board Rule 3A.02A(1)/ GEM Rule 6A.02A(1), which should normally be within five business days from the date of the engagement letter, the Exchange may treat the date of the notification as the date of the sponsor’s formal appointment. [Updated in February 2020]
3A.	Main Board – Rule	Is a sponsor required to inform the	Yes. Pursuant to Main Board Rule 3A.02A(2)/ GEM Rule

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	3A.02A(2) GEM – Rule 6A.02A(2)	Exchange in writing upon the expiry of its engagement? What if its engagement terminates prior to the filing of a listing application or after the listing application lapses?	6A.02A(2), a sponsor should notify the Exchange in writing when it ceases to act as the sponsor of an applicant, whether as a result of termination or expiry of a sponsor’s engagement, and regardless of whether there is a live listing application.  <b><i>(Added on 7 December 2018)</i></b>
4.	N/A	What is the Exchange’s policy on pre-IPO enquires?	The Exchange will only consider pre-IPO enquires which are novel and specific.  Sponsors cannot shift their responsibility to ensure that an Application Proof is substantially complete to the Exchange or the Commission by abusing the pre-IPO enquiry process. The pre-IPO enquiry process should not be taken as a means to get a listing document vetted before an application is submitted.  Any such enquiries will not be considered. Sponsors and advisors are advised to follow the guidance in the relevant Listing Decisions and Guidance Letters issued by the Exchange from time to time. Pre-IPO enquires on a no-name basis will also not be considered.
5.	Main Board – Paragraphs 18 and 19 to Practice Note 22 GEM – Paragraphs 17 and 18 to Practice Note 5 Guidance Letter HKEX-GL57- 13	Are listing applications in relation to spin-offs, dual listings, deemed new listings (reverse takeovers), or transfers from GEM to the Main Board required to comply with:  (a) the “substantially complete” requirement under Main Board Rule 9.03(3); and  (b) the requirement to publish Application Proofs on the Exchange’s website?	Yes. The Exchange may permit applicants to submit confidential filings. Please refer to Guidance Letter HKEX-GL57-13. [Updated in February 2020]

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6.			<i>(Withdrawn on 22 March 2019)</i>
7.			<i>(Withdrawn on 22 March 2019)</i>
8.			<i>(Withdrawn in February 2020)</i>
9.	N/A	How long does it take for a listing application to be presented to the Listing Committee for consideration?	<p>The timeframe varies depending on, among other things, the quality of the Application Proof, the time required for the sponsor to respond to the regulators' comments, the quality of the sponsor's responses, and the number of other applications being processed by the regulators at the relevant time.</p> <p>In the case of an applicant which is a mineral company under Chapter 18 of the Main Board Rules (Chapter 18A of the GEM Rules), or a biotech company under Chapter 18A of the Main Board Rules, in addition to the factors stated above, the timeframe will also depend on the quality of the disclosure of the relevant technical information (e.g. Competent Person's Report). The independent consultants of mineral companies or the Exchange's Biotech Advisory Panel who assist the Exchange in the review of the technical matters in the relevant listing applications have agreed to endeavour to meet the timeline set forth by the Exchange, but there may be cases where some delay may occur.</p> <p>[Updated in February 2020]</p>
10.			<i>(Withdrawn on 22 March 2019)</i>
11.	Main Board – Paragraph 21 to	Once an Application Proof is published on	Yes. An applicant's Application Proof will be removed

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	Practice Note 22 GEM – Paragraph 20 to Practice Note 5 Guidance Letter HKEX-GL57-13	the Exchange’s website, will it be removed if an applicant’s application is subsequently returned?	from the Exchange’s website upon completion of all the review procedures for the return decision or the time for invoking such review has lapsed.  All information relating to the applicant originally under the “Active” status mark on the Exchange’s website will be removed, and the Exchange’s website will only publish the name of the applicant and its sponsor, and the date of the return.
12.	Main Board – Paragraph 21 to Practice Note 22 GEM – Paragraph 20 to Practice Note 5 Guidance Letter HKEX-GL57-13	Will the details of a Returned Application be removed from the Exchange’s website when the application is re-submitted subsequently?	No. In particular, the name of the applicant and its sponsor, and the date of the return will not be removed from the Exchange’s website even if the application is subsequently re- submitted.
13.	Main Board – Rule 9.03(3) GEM – Rule 12.09(3)	For Returned Applications, when will the eight weeks moratorium start?	The eight weeks moratorium starts from the date of the return letter.
14.			<b><i>(Withdrawn on 22 March 2019)</i></b>
15.	Guidance Letter HKEX-GL56-13	Is the amount of sponsor’s fees required to be disclosed in a listing document?	Yes. The total amount of sponsor fees must be disclosed in the listing document according to the Commission’s Consultation Conclusions on the regulation of IPO sponsors.  <b><i>(Added on 3 September 2013)</i></b>
16.	Main Board – Paragraph 12 to Practice Note 22	If an applicant does not intend to book build or distribute a red herring prospectus before	Yes. The Rules require a PHIP to be published at the earliest practicable time upon receiving:-

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	GEM – Paragraph 11 to Practice Note 5	it publishes its prospectus, is it still required to publish a PHIP?	<p>(i) a post hearing letter with a request for posting a PHIP from the Exchange (or an approval in principle with a request for posting a PHIP from the Commission in the case of a CIS applicant who is required to publish a PHIP); and</p> <p>(ii) the directors conclude that the material comments of the Exchange or the Commission (as the case may be) have been addressed.</p> <p>This requirement is applicable to all listing applicants and certain CIS applications, irrespective of whether their applications involve a public offer, distribution of red-herring prospectus or book-building.</p> <p>Please refer to paragraph 13 to Practice Note 22 of Main Board Rules (Paragraph 12 to Practice Note 5 of GEM Rules) for circumstances where applicants do not need to publish its PHIP.</p> <p>[Added on 3 September 2013 and updated in February 2020]</p>
17.	Main Board – Paragraph 12 to Practice Note 22 GEM – Paragraph 11 to Practice Note 5	<p>When an applicant resubmits a listing application, is it necessary to mark-up the Application Proof against:-</p> <ul style="list-style-type: none"> <li>• the last Application Proof that was published on the Exchange’s website; or</li> <li>• the last draft listing document that was submitted to the Exchange for vetting?</li> </ul>	<p>For publication purposes, any new Application Proof submitted through the Exchange’s ESS to be published on Exchange’s website does <u>not</u> need to be marked-up against the last Application Proof that was published on the Exchange’s website.</p> <p>For vetting purposes, upon re-submission of a listing application (e.g. upon lapse of the last listing application), the Application Proof that accompanies the application</p>

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			<p>form (Form A1/ Form 5A) should be marked-up against the latest draft listing document to enable the Exchange's IPO vetting team to identify the changes made.</p> <p><i>(Added on 3 September 2013)</i></p>