

HKEX News Update: Consultation Conclusions on Proposals to Further Expand Paperless Listing Regime and Other Rule Amendments

On 24 January 2025, the Stock Exchange published a [Consultation Conclusions](#) to its [Consultation Paper](#) regarding proposed further expansion of paperless listing regime and other rule amendments.

The key changes include:

Electronic instructions from securities holders to issuers

- Issuers must provide securities holders with an option to send the following instructions (collectively the “Requested Communications”) to issuers electronically (to the extent permitted by the laws and regulations applicable to them):
 - instructions regarding a meeting of securities holders, including an indication as to attendance at such meeting and proxy-related instructions (“Meeting Instructions”); and
 - instructions made in response to actionable corporate communications, save for those made in response to any provisional allotment letter in connection with a right issue (“Non-Meeting Instructions”);
- Issuers will have flexibility to adopt the electronic mechanism for receiving electronic instructions (e.g. by email or designated electronic platforms);
- Issuers are expected to verify the authenticity of the Requested Communications;
- Issuers are not required to provide securities holders with an electronic option for Non-Meeting Instructions which are accompanied by physical title instrument(s), e.g. takeover offer where a securities holder will surrender a physical share certificate;
- This requirement will be implemented on the same date on which uncertificated securities market (“USM”) is implemented (currently expected to be at the end of 2025), with the following transitional period:
 - Standardized Requested Communications (namely Meeting Instructions, and Non-Meeting Instructions responding to dividend payment election forms): one year; and
 - For all other non-standardized Requested Communications: five years; and
- Applicability of the requirements to issuers are as below:
 - Issuers of equity securities: Meeting Instructions and Non-Meeting Instructions;
 - Public debt issuers: Meeting Instructions; and
 - Listed structured products issuers: Non-Meeting Instructions.

Real-time electronic payment of Corporate Action Proceeds

- Issuers must provide securities holders with an option to receive Corporate Action Proceeds (namely proceeds paid by the issuers in connection with its corporate actions, including the distribution of dividends and other entitlements) electronically by the announced payment date (to the extent permitted by the laws and regulations applicable to them);
- Issuers will have flexibility to choose their electronic payment methods, provided that they must ensure the payment option they provide can result in good funds being received by the holders by the payment date. Examples of electronic payment options include CHATS, FPS, autopay and telegraphic transfer;
- This requirement will be implemented on the date of USM implementation, with a one-year transitional period; and
- Issuers of debt securities and listed structured products are not subject to this requirement.

Electronic subscription monies

- Issuers must provide securities holders with an option to pay subscription monies electronically for offers made to their existing securities holders to subscribe for new securities (to the extent permitted by the laws and regulations applicable to them);
- Issuers will also have flexibility to choose their electronic payment methods;
- This requirement will be implemented on the date of USM implementation, with a one-year transitional period; and
- Issuers of debt securities and listed structured products are not subject to this requirement.

Abolition of Mixed Media Offers (“MMO”)

- The MMO will be abolished such that application forms for public offer of equity securities, a collective investment scheme and debt securities will no longer be made available in printed form;
- Subscriptions for a public offer of equity securities and by a collective investment scheme shall be made through online electronic channels only;
- Subscriptions for a public offer of debt securities will continue to be conducted through their well-established channels; and
- This requirement will be implemented on the date when the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the laws of Hong Kong) permitting MMOs is repealed.

Hybrid general meetings and e-voting

- Issuers must ensure that their constitutional documents enable them to hold hybrid general meetings and allow e-voting (to the extent permitted by the laws and regulations applicable to them);
- If the laws and regulations of the jurisdiction of incorporation of the issuers do not expressly allow hybrid general meetings and e-voting, issuers should seek legal advice on whether it is appropriate for them to include express provisions allowing hybrid general meetings and e-voting in the issuers’ constitutional documents;
- If hybrid general meetings and e-voting are prohibited by the laws and regulations in the jurisdiction of incorporation of the issuers, the issuers will need to apply to the Stock Exchange for a waiver on the basis that compliance with the requirement is impractical due to legal restrictions ^(Note 1);
- Issuers should make necessary arrangements to allow shareholders attending virtually to listen, speak and submit real-time questions during the meeting ^(Note 2);
- Issuers are expected to enable shareholders to submit real-time questions during the meeting orally and electronically by typing them into a dedicated meeting application or platform ^(Note 3);
- It is not mandatory to hold hybrid general meetings or adopt e-voting at present; and
- Issuers will have a transitional period until their first annual general meeting held after 1 July 2025 to amend their constitutional documents, if necessary.

Other minor Listing Rule amendments and housekeeping changes

- Clarifying that the conditions for granting waivers from the publication and distribution requirements of annual results/reports also apply to issuers that are neither overseas issuers nor PRC issuers;
- Removing the requirement for the issuers to confirm in their annual reports whether they have received annual confirmations of independence from their independent non-executive directors;

- Aligning requirements between the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- Adopting various minor amendments in relation to debt securities; and
- All amendments will come into effect on 10 February 2025.

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

Notes:

1. Paragraph 3.5(b) of the [Guide on applications for waivers and modifications of the Listing Rules](#) issued by the Stock Exchange.
2. Paragraph 6.3 of the [Guide on general meetings](#) issued by the Stock Exchange.
3. Paragraph 6.9 of the [Guidance Note – Good Practice on Holding Virtual or Hybrid General Meetings](#) issued by the Companies Registry.