

HKEx News Release

[+Share](#)

Updated: 05/09/2014

Initial 3-Day Check of Application Proofs will be discontinued after 30 September 2014

The Stock Exchange of Hong Kong Limited (the Exchange), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx), recently completed a further review of the Initial 3-Day Check of Application Proofs¹, and has decided that the Initial 3-Day Check will be discontinued after 30 September 2014.

Background of the Initial 3-Day Check

The Initial 3-Day Check was one of the transitional arrangements (covering 1 October 2013 to 30 September 2014, both dates inclusive) the Exchange put in place when it amended the Listing Rules and published new and revised guidance to complement the new sponsor regulations of the Securities and Futures Commission (SFC). 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. The Exchange said in its news release dated [23 July 2013](#) that 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.

On [24 March 2014](#), the Exchange announced that it would continue the Initial 3-day Check of Application Proofs from 1 April to 30 September 2014, both dates inclusive, to allow more time for market practitioners to familiarise themselves with the new regime.

Recent Review of the Initial 3-Day Check

The Exchange recently completed a further review of the Initial 3-Day Check and found that despite the increase in the number of listing applications from 1 March to 31 July 2014 as compared to the prior period from 1 October 2013 to 28 February 2014, the return rate of Application Proofs has decreased². The lower return rate and the fact that there were no returns made in August 2014 indicate that the market has become reasonably familiar with the requirements for a “substantially complete” Application Proof. The Exchange has decided, after consultation with the SFC, to discontinue the Initial 3-Day Check after 30 September 2014.

Reminder regarding changes effective 1 October 2014

The Exchange reminds listing applicants, sponsors and other market practitioners that with the discontinuation of the Initial 3-Day Check, with effect from 1 October 2014, an Application Proof will be published on the HKExnews website at the same time the new applicant files a listing application with the Exchange (or in the case of a relevant application under Chapter 20 of the Listing Rules, at the same time the new applicant files an application for authorisation with the SFC).

The 3-Day Checklist (Table B) found in Guidance Letter HKEx-GL56-13 will be merged with Table A of the same Guidance Letter. (please see revised [HKEx-GL56-13](#)).

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 Securities and Futures Commission together with an application for authorisation of the collective investment scheme for the purpose of listing its interests on the Exchange.
- ² There was a 181 per cent increase in the number of listing applications and an 18 per cent decrease in the return rate of Application Proofs from 1 March to 31 July 2014 as compared to the prior period from 1 October 2013 to 28 February 2014.

Ends