



HONG KONG CAPITAL MARKET UPDATES

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Enhanced Application Timeframe for new listing application process

On 18 October 2024, the Securities and Futures Commission (SFC) and The Stock Exchange of Hong Kong Limited (HKEX) published a joint statement on enhanced timeframe for new listing¹ application process (Enhanced Application Timeframe).

The Enhanced Application Timeframe provides greater clarity and certainty to the timeline for reviewing new listing applications by the SFC and the HKEX and is applicable to all new listing applications filed after 18 October 2024.

Enhanced Application Timeframe

Key features of the Enhanced Application Timeframe are as follows:

1. Applications Fully Meeting Requirements

Where a listing applicant and its sponsor submit a new listing application and related materials that meet all applicable requirements and guidance under the Securities and Futures Ordinance (SFO), the Securities and Futures (Stock Market Listing) Rules (SMLR) and/or the Listing Rules (Applications Fully Meeting Requirements), the SFC and the HKEX will, after close communication to avoid duplication of comments, individually assess and indicate any material regulatory concerns (Regulators' Assessment) after a maximum of **two rounds** of regulatory comments. In this scenario, the time taken by each regulator to confirm whether there are any material regulatory concerns will be no more than **40 business days**². Upon confirmation of no material regulatory concern, the HKEX will work with the listing applicant and its sponsor to finalise the disclosure in the listing document, following which the application will move forward to the Listing Committee Hearing.

The listing applicant and its sponsor are expected to take a total of around 60 business days to satisfactorily address regulators' comments. Subject to obtaining approvals from the Listing Committee and other authorities or regulators, the application process would be completed within the six-month application validity window.

Highlights on the Enhanced Application Timeframe

- ▶ Regulators' Assessment for listing applications that meet all relevant requirements will be completed within a maximum of two rounds of comments and 40 business days
- ▶ Accelerated Timeframe is introduced for eligible A-share listed companies, with the aforementioned Regulators' Assessment reduced to a maximum of one round of comment and 30 business days

2. Accelerated Timeframe for eligible A-share listed companies

An accelerated timeframe for the new listing application process is introduced for eligible A-share listed companies who submit Applications Fully Meeting Requirements. Under this accelerated timeframe, the Regulators' Assessment will be completed after **one round** of regulatory comments, with each regulator taking no more than **30 business days**² to complete the Regulators' Assessment (Accelerated Timeframe).

To be eligible for the Accelerated Timeframe, an A-share listed company must meet the following criteria when submitting a new listing application:

- a) it is expected to have a minimum market capitalisation of HK\$10 billion³; and
- b) it can confirm, with the support of legal advisers' opinion, that it has complied with all laws and regulations, in all material respects, applicable to its A-share listing throughout the two full financial years immediately preceding the new listing application and up to the date of submitting the new listing application.

3. Applications requiring longer process

If the SFC and/or the HKEX have material concerns regarding an applicant's compliance with the SFO, the SMLR and/or the Listing Rules and/or the quality of listing document preparation, or if there are new material developments or incomplete responses to regulators' comments, the application process will be subject to the procedures set out in 'Applications Requiring Longer Process' as detailed in the joint statement. Under such scenario, the timeline of the application process may be lengthened.

For more details on the Enhanced Application Timeframe, please read the joint statement published by the SFC and HKEX: [Link](#)

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¹ 'New Listing' has the meaning ascribed to it (but excluding any new listing of interests in a real estate investment trust or any reverse takeover of a listed issuer which is a deemed new listing under the Listing Rules) in Rule 1.01 of the Listing Rules.

² This refers to the number of business days in the hands of the SFC and the HKEX and excludes the response time of the listing applicant and its sponsor.

³ Calculated with reference to (i) the A-share market capitalisation based on the average A-share closing price for the five business days immediately preceding the date of the new listing application; and (ii) the expected H-share market capitalisation at the time of listing on the HKEX.

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