



SECURITIES AND
FUTURES COMMISSION
證券及期貨事務監察委員會

關於建立無紙化證券市場的建議的 諮詢總結

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1. 摘要

- 1.1 繼在 2002 年 2 月發表《關於建立無紙化證券市場的建議的諮詢文件》後，證券及期貨事務監察委員會（證監會）現發表《關於建立無紙化證券市場的建議的諮詢總結》（《諮詢總結》）。
- 1.2 《諮詢總結》描述在《2002 年諮詢文件》中所建議以分立登記冊形式運作的無紙化市場模式的選擇。這建議意味著將會有一套由香港交易及結算所有限公司（香港交易所）操作的中央結算系統登記冊，而該登記冊將會與由認可股份登記機構操作的發行人登記冊以電子方式互相接連。該模式可提供多種在中央結算系統登記冊之上的無紙化登記股東帳戶，以及在登記機構開立的無紙化發行人登記冊帳戶。發行人登記冊會隨中央結算系統登記冊更新，以構成完整的成員登記冊。本文件第 3 節會敘述無紙化帳戶的主要特點和操作，以及無紙化模式的其他特點。《諮詢總結》與《2002 年諮詢文件》兩者所提出的模式大體上相同。
- 1.3 本文件第 4 節會敘述該項諮詢所帶出的若干主要事宜。附錄 2 會詳述收集所得的意見和我們的回應。本《諮詢總結》並不包含支持無紙化模式的立法修訂。我們仍在與政府合作，以就有關修訂達成最終定案，並將會另行就有關事宜進行諮詢。
- 1.4 此外，本文件第 4 節指出，香港交易所快將發表《關於操作模式建議的諮詢文件》，該文件將會詳述分立登記冊模式的操作細節。香港交易所的諮詢文件參照本《諮詢總結》所述的無紙化模式，並對操作細節加以補充。就若干方面而言，香港交易所亦提出若干不同的特點。第 4.12 和 4.13 段已就此加以敘述。

2. 背景

- 2.1 在 2002 年 2 月，證監會發表《關於建立無紙化證券市場的建議的諮詢文件》（《2002 年諮詢文件》）。該文件的摘要列出建立無紙化市場的目標。其背景一節（第 10 至 26 段）敘述香港在涉及使用實物的股份證明書和轉讓文書、登記機構的角色，以及中央結算系統的結算及存管系統的操作的現況。該文件（第 27 至 42 段）敘述無紙化模式的高層次特點，尤其是分別在中央結算系統和在發行人登記冊所進行的無紙化登記的特點。該文件

第 5 部和第 6 部 (第 43 至 62 段), 分別敘述無紙化市場模式對市場參與者的影響, 以及就支持無紙化市場而需進行的立法修訂。該文件的附錄載有海外和內地的無紙化市場制度的概述。

- 2.2 繼發表《諮詢文件》後, 有關方面已成立一個執行工作小組進一步制定無紙化模式和推行有關計劃。另外亦成立了三個關注小組, 分別是市場參與者關注小組、上市公司關注小組以及法律和監管專業人員關注小組, 對無紙化模式加以研究。最後, 技術工作小組已制訂無紙化模式的技術操作細節及其推行計劃。本文件附錄 1 載有上述各個小組的成員名單。證監會亦已先後為證監會諮詢委員會、證監會股東權益小組、公司法改革常務委員會和香港證券經紀業協會舉辦過有關無紙化模式的簡報會。

3. 關於建立無紙化證券市場的建議的諮詢總結

- 3.1 在無紙化模式下, 對法例作出修訂允許香港的上市公司和其他指明的公司發行無紙化股票。無紙化股票無需發出實物股份證明書, 以及在大部分情況下, 無需使用實物轉讓文書便可以進行股票發行和轉讓。換言之, 發行和轉讓都會以電子方式進行。在實行初期, 上市公司可以選擇以無紙化方式發行全部股票。它們也可以在過渡期內繼續發行實物股票, 但須按照《上市規則》的規定, 同時向選擇以無紙化方式持股的所有登記股東, 提供無紙化股票。當無紙化模式逐漸為人們廣泛接受之後, 有關法例將會規定只可以無紙化方式持有證券。¹

分立登記冊模式

- 3.2 無紙化股票將會在認可結算所 (亦即是在中央結算系統登記冊) 開立的帳戶內, 或在有關公司的認可股份登記機構 (亦即是在發行人登記冊) 開立的帳戶內持有。正如上文所述, 發行人登記冊將會隨中央結算系統登記冊的資料更新, 以構成完整的成員登記冊, 並供公眾人士在登記機構查閱。無紙化股票的所有權和所有權的變動情況, 將以電子記帳形式分別記錄在該兩份登記冊內。無紙化股票的所有權轉讓指示, 亦將以電子方式發出。

¹ 本文件和《2002 年諮詢文件》中的討論, 主要集中在股票方面。然而, 有關立法修訂亦將會適用於債權證。

中央結算系統登記冊的無紙化帳戶

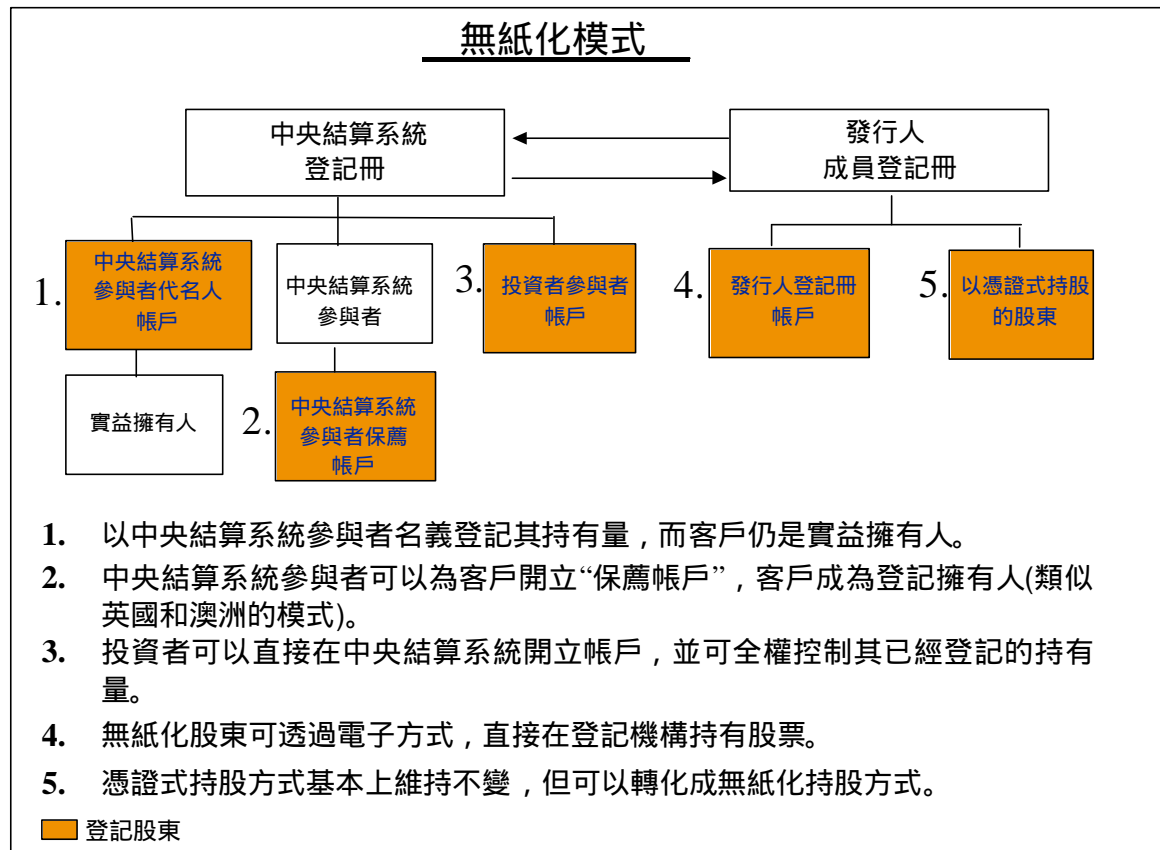
3.3 中央結算系統登記冊將有三類帳戶，以供進行登記持股之用。它們分別是中央結算系統參與者帳戶、中央結算系統參與者保薦帳戶和投資者參與者帳戶。正如《2002 年諮詢文件》所述，上述帳戶與目前沿用的中央結算系統帳戶相似，只是稍加修改以配合無紙化模式。在無紙化模式下，上述帳戶最大的新特點，是當中所提述的帳戶持有人將會成為登記股東。

- (a) 中央結算系統參與者帳戶。這將會是中央結算系統的經紀行或託管商參與者的帳戶，而該帳戶內的股票將以該參與者的名義登記。有關方面可利用獨立的代名人帳戶，以持有客戶的股票，但該等客戶只是有關股票的實益擁有人，而並非登記持有人。很多時候，眾多客戶的股票會在一個代名人帳戶內持有。該等客戶必須透過本身的中央結算系統參與者收取帳戶結單、企業通訊資料和權益，以及處理企業行動。有關的中央結算系統參與者，將會直接從登記機構收取企業通訊資料。有關企業行動的服務由哪個機構提供一事仍在商討中(詳情請參閱第 4.13 段)。
- (b) 中央結算系統參與者保薦帳戶。這將會是中央結算系統參與者為本身的客戶所開立的帳戶，有關客戶會記錄作為該帳戶內的股票的登記持有人。每位獲保薦的客戶，都會開立獨立的帳戶。然而，只有中央結算系統參與者(而非所提述的帳戶持有人)，才可以提存調動該帳戶內的股票。帳戶持有人將會就其帳戶內的所有變動項目獲得知會。中央結算系統將會為客戶提供有關其帳戶的持有量以及提存項目的結單。登記機構會將企業通訊資料，直接送往帳戶上所提述的客戶。有關企業行動的服務由哪個機構提供一事仍在商討中(詳情請參閱第 4.13 段)。
- (c) 在中央結算系統開立的投資者參與者帳戶，將會是投資者直接在中央結算系統開立的帳戶，有關客戶將會成為該帳戶內的所有股票的登記持有人。投資者將有權操作本身的帳戶，該帳戶將會獨立於經紀行或託管商。有關帳戶會以中央結算系統所編配的用戶名稱和密碼，或以數碼簽署方式來操作。中央結算系統會為投資者提供有關帳戶的持有量及提存項目的結單。登記機構則會將企業通訊資料，直

接送往投資者。有關企業行動的服務由哪個機構提供一事仍在商討中(詳情請參閱第 4.13 段)。本段將會描述在無紙化模式下，目前的投資者參與者帳戶將會如何操作。香港交易所目前正在研究新的投資者參與者帳戶的方案，據我們理解，香港交易所將會就有關事宜另行發表諮詢文件。

發行人登記冊的無紙化帳戶

- 3.4 發行人登記冊內將會有一類新帳戶，即以股東名義直接在登記機構開立的發行人登記冊帳戶。我們稱之為“帳戶”，純粹為方便提述起見，更貼切地說，這其實是持有和轉讓無紙化股票的安排。該帳戶將以登記機構編配予股東的股東參考編號來操作。股東可以將股東參考編號告知經紀行或託管商，以便轉移股票來完成沽售交易的交收。該轉移事宜隨後會在中央結算系統內，以及透過中央結算系統與登記機構之間的電子界面加以處理。股東將會直接與登記機構聯繫，以收取帳戶結單、企業通訊資料和權益，以及處理上市公司的企業行動。
- 3.5 此外，發行人登記冊將會繼續載有以憑證式持股的所有股東的姓名和其他詳情。在建立起完全無紙化的市場之前，以憑證式持股方式持有的證券，仍可利用實物轉讓文書進行轉讓。下文圖表 1 是對無紙化模式的描述。



圖表 1

非實物化/變回實物

- 3.6 無紙化模式可以讓以憑證式持股的股東，將其持有量轉化或“非實物化”，成為其中一類無紙化帳戶。非實物化的過程可以透過中央結算系統或登記機構進行。鑒於《2002 年諮詢文件》所收集的意見，在無紙化模式實行初期，有關方面將會同時提供變回實物的服務。這使買入無紙化股票的投資者，可以向登記機構要求獲發股份證明書。正如《2002 年諮詢文件》所述，投資者需要就這項服務支付費用，而有關費用或會高於目前要求獲發股份證明書的費用。

無紙化模式操作實例

- 3.7 下文闡述在進行各種常見交易時，無紙化模式的實際操作情況。
- 3.8 投資者在首次公開發售時認購無紙化股票，並希望成為登記股東的情況。圖表 1 內有三種方式可供該投資者選擇，分別是方

格 2、方格 3 和方格 4。該投資者如果要確保其經紀行或託管商無法操作該帳戶，可以選擇方格 3 或方格 4 的方式。如選擇方格 3，該投資者需要在中央結算系統開立投資者參與者帳戶，而該帳戶需以用戶名稱和密碼，或以數碼簽署方式來操作。該投資者如果選擇方格 4，則登記機構便會自動為該投資者以其名義開立發行人登記冊帳戶，以及會向該投資者編配操作該帳戶必需的股東參考編號。該投資者如果希望允許其經紀行或託管商操作該帳戶，他可以要求中央結算系統參與者，為其在中央結算系統開立中央結算系統參與者保薦帳戶，即以下的例子所描述的方格 2 的方式。

3.9 投資者希望透過中央結算系統參與者在聯交所購買股票的情況。投資者可以選擇以方格 1、方格 2、方格 3 或方格 4 的方式進行。

- (a) 如選擇方格 1 的方式，該投資者將不會成為登記股東，有關的股票將以中央結算系統參與者的名義登記(請參閱第 3.3(a)段)。
- (b) 該投資者如果選擇方格 2 的方式，中央結算系統參與者將會指示中央結算系統，以投資者的名義在中央結算系統開立中央結算系統保薦帳戶，藉以將方格 1 內的股票轉移至該方格 2 帳戶(請參閱第 3.3(b)段)。
- (c) 如選擇方格 3 的方式，該投資者必須在中央結算系統開立投資者參與者帳戶。他隨後須要求本身的中央結算系統參與者，指示中央結算系統將方格 1 內的股票，轉移至方格 3 該投資者本身在中央結算系統的帳戶(請參閱第 3.3(c)段)。
- (d) 如選擇方格 4 的方式，該投資者須要求本身的中央結算系統參與者，指示中央結算系統將方格 1 內的股票轉移至方格 4。有關的中央結算系統參與者會在該指示載列該投資者的姓名和地址，以留作登記詳情。中央結算系統會從方格 1 扣帳，然後向有關的登記機構轉述有關的指示。有關的登記機構會將股票記帳至股東在方格 4 的帳戶 (有需要時可開立新的帳戶)，並會將股東參考編號郵寄給股東(請參閱第 3.4 段)。

3.10 擁有方格 2、方格 3 或方格 4 所述的登記持有量的股東透過中央結算系統參與者在聯交所出售股票的情況。請注意：如果股票是從未以投資者名義登記的方格 1 代名人帳戶出售的話，其操作情況則維持不變。

- (a) 如屬方格 2 的中央結算系統參與者保薦帳戶，中央結算系統參與者(而非股東)才可轉移該帳戶內的股票。中央結算系統參與者可以核查帳戶內的持有量。有關的中央結算系統參與者會向中央結算系統發出指示，從方格 2 中轉移股票，以完成沽售的交收。
- (b) 如屬方格 3 的投資者參與者帳戶，股東將會授權將股票從方格 3 轉移至方格 1 的中央結算系統參與者帳戶。有關方面可利用使用者名稱和密碼，透過電話、互聯網或親身辦理上述的轉移，也可以利用數碼簽署的方式進行。正如上文所述，中央結算系統目前正在研究提供一個新的投資者參與者帳戶架構。
- (c) 如屬方格 4 的發行人登記冊帳戶，股東將需要把其股東參考編號告知中央結算系統參與者。有關的中央結算系統參與者會將指示輸入中央結算系統，當中包括該股東參考編號，藉以將股票從方格 4 轉移至方格 1 的帳戶。中央結算系統然後會向登記機構轉述有關的指示，後者在查核過持有量以及股東參考編號正確無誤之後，便會確認有關的轉移。

4. 就諮詢總結的論述

4.1 本節旨在論述有關的諮詢所引起的若干重要事宜。有關我們所收集的意見和相關回應的概述，請參閱附錄 2。附錄 2 同時收錄了三個關注小組及多個曾參與證監會所舉辦的有關無紙化模式簡報會的機構 (請參閱第 2.2 段) 所發表的意見。

4.2 大多數評論者都支持無紙化市場採用分立登記冊的模式。分立登記冊模式將會沿用中央結算系統和登記機構的大部分現有基礎建設，從而減少對全新基礎建設的需求。該模式為投資者提供各種選擇，並已在海外市場行之有效。

- 4.3 在單一登記冊和分立登記冊的模式上，部分評論者傾向於採用前者。新加坡和內地的市場均採用單一登記冊，實際上即是結算所的登記冊。我們就採用單一登記冊的利弊進行深入研究和討論後，決定放棄採用該模式。最主要的原因，是我們相信該模式不但會局限投資者的選擇，更會妨礙市場競爭。使用分立登記冊的模式，可以讓投資者有權選擇在中央結算系統還是直接在登記機構開立登記帳戶。該模式同時有利於促進登記機構就保存上市公司的成員登記冊進行競爭。除此之外，若採用單一登記冊，可能需要就上市公司與登記機構的關係作出立法干預，並需授予新的獨家專營權。我們認為這做法既非必需，亦不可取。
- 4.4 其他評論者提議，即使不設立單一登記冊，亦應設立載有所有上市公司的登記冊的中央數據庫。這建議可使投資者和其他人士，能夠在一個集中的地點取得所需的股東資料，而無需接觸不同的登記機構。雖然我們同意這有其可取之處，但這建議將會增加無紙化模式的成本，並會引伸出由誰擁有和操作該中央系統等問題，故此我們不會建議將其納入為法例的一部分。倘若中央數據庫對市場確有存在價值，它可以在私營機構加以開發，我們樂意參與有關的成本效益的研究和評核工作。
- 4.5 評論者普遍支持在無紙化模式下可供投資者就帳戶種類進行的選擇，以及股東可以本身名義在登記冊登記所帶來的益處。然而，當中有評論者關注股東仍將要面對中介人違責或挪用客戶資產的風險。
- 4.6 就此而言，我們首先要指出，無紙化模式相對現時的狀況已有重大的改進。投資者如以本身名義開立帳戶（方格 2、方格 3 和方格 4），屆時其名下的持有量應當一目了然，足可避免自 1998 年正達證券有限公司（清盤中）的違責事件後，持續多年的不明確之處。此外，擁有上述帳戶的投資者，在帳戶發生變動時會收到個別的通知（擁有方格 2 和方格 3 的帳戶的人士，會從中央結算系統收到通知。擁有方格 4 的帳戶的人士，會從登記機構收到通知），因而大大提高了投資者監控本身所持證券的能力。
- 4.7 除上文各段所述以外，有幾位評論者要求有關方面考慮投資者賠償安排是否足夠。新的投資者賠償安排已根據《證券及期貨

條例》(香港法例第 571 章) 在 2003 年 4 月 1 日起生效。在新的投資者賠償安排下，可以向每名投資者就每宗違責事件提供最高 15 萬元的賠償。這項新賠償安排涵蓋銀行和經紀行、非交易所成員和交易所成員，並由證監會與投資者賠償有限公司(而非交易所)負責管理，而該新的投資者賠償基金目前約有 10 億元的資產。

- 4.8 至於無紙化模式開始操作後，就應否繼續發出股份證明書，以及倘若應繼續發出的話，其時間性為何等問題，評論者對此可謂意見紛紜。但明顯地，大多數評論者認為在過渡期內應繼續發出證明書，以及應允許投資者選擇將以無紙化方式持有的證券變回以實物方式持有的證券。他們建議應就此收取合理的費用，並認為在過渡期內允許發出證明書，對散戶投資者來說尤為重要。我們接納這取向。
- 4.9 有幾位評論者指出，在無紙化模式下，中央結算系統和認可股份登記機構必須確保其自動化系統健全和可靠。我們同意這個觀點。中央結算系統的系統多年來一直須接受證監會的監督。而登記機構的系統，目前亦受證監會發出的《股份登記機構操守準則》規管。在這方面，我們將會致力確保金融服務機構均施行最佳的作業方式。
- 4.10 我們就股東參考編號(即登記機構發出予擁有發行人登記冊帳戶的股東的編號)收到不同的意見。其中一位評論者指出，股東很可能會就其持有的每隻股票收到不同的股東參考編號。他提出可否將不同的股東參考編號綜合為一個編號。登記機構已表示將考慮允許股東更改其股東參考編號，從而使股東利用單一的股東參考編號(假設尚未有其他股東獲編配使用該編號)。另一位評論者則指出，當股東將股東參考編號告知中介人，以出售其部分股票時，中介人便有機會可以利用該股東參考編號挪用該股東餘下的股票。有此憂慮的股東，可考慮更改其股東參考編號。我們打算與登記機構合作，以提高股東參考編號的安全性，使其安全性最少不遜於提供予銀行客戶的私人密碼的安全程度。
- 4.11 我們就無紙化市場的各项費用和收費收到多項意見。在涉及將在中央結算系統內外所持有數以百萬計的股票非實物化的討論中，有人指出如果日後根據《上市規則》現有規定，就每張證

明書收取 2 元或 2.5 元的費用，則應繳付予登記機構的費用總額，可能會高於這次屬一次性的非實物化過程的合理成本。我們會在執行工作小組會議上進一步討論有關的建議，以確保日後在所有如須收取費用的項目上，其收費均屬合理水平。

- 4.12 香港交易所建議最低限度在實行初期，由於操作上的多種理由，中央結算系統登記冊與發行人登記冊之間的股份轉移，會留待至每日完結時才整批處理。證監會傾向較頻密地處理上述轉移，最理想是能夠即時處理。否則的話，可能會令到使用發行人登記冊帳戶（方格 4）的投資者和其中介人認為進行有關交易是繁複累贅的。證監會理解到即時處理涉及的成本可能較高，以及投資者對該項服務的需求仍屬未知之數。由於有關細節的討論仍在進行之中，凡任何可以為使用中央結算系統登記冊或發行人登記冊的投資者提供可行的選擇的操作性決定，我們都會予以支持。
- 4.13 香港交易所認為，應由中央結算系統為中央結算系統登記冊上的股東提供處理企業行動的服務（例如收取股息、投票）。這包括透過中央結算系統參與者作為渠道，為中央結算系統參與者保薦帳戶（或方格 2）的投資者提供上述服務。相反，登記機構認為，由於它們會為發行人登記冊上的股東提供有關的服務，因此應由它們提供上述服務。證監會傾向允許登記股東自由選擇兩者的服務。有關方面會就上述事宜進行進一步商討。
- 4.14 除了由中央結算系統持有的股票外，另一項事宜是股東就其持有的證券在非實物化和變回實物的過程中須繳付的費用。如果透過中央結算系統或登記機構進行非實物化須收取任何費用的話，可能會妨礙過渡至無紙化持股方式。我們擬在執行工作小組會議上提出有關事宜，並會確保所收取的任何費用，都是合理的以及可以利便無紙化市場的建立。就變回實物和涉及實物股份證明書的交易來說，若收取較高費用可使我們免於就繼續使用證明書而作出補貼，相信不會遭到反對。
- 4.15 就非實物化而言，數名評論者詢問這個程序所需的時間。他們指出中央結算系統目前就存入的證明書可提供即時記帳服務，而登記機構則需 10 個營業日以處理涉及股份證明書的程序。在技術工作小組的討論中，我們認為可以縮短所需的時間，並會繼續朝這方向進行討論。

- 4.16 就《2002 年諮詢文件》提出無紙化持股方式的股東可以無需向登記機構繳付登記費，不是所有的評論者都認同這項建議。雖然大多數人看來接納我們的建議，但其中一家登記機構和一家上市公司認為股東應當繳付費用。我們仍相信在無紙化持股方式下，股東應當無需向登記機構繳付費用。否則的話，這將會減低投資者登記成為股東以及行使其作為股東的權利的意欲。我們相信，這是大多數海外市場沒有規定投資者需向登記機構繳付費用的原因。
- 4.17 就中央結算系統的登記帳戶 (即方格 1、方格 2 和方格 3)而言，現時須收取多種中央結算系統的費用和收費，我們預期將來仍會如此。股東如果不想使用中央結算系統的登記帳戶，可以選擇發行人登記冊帳戶。然而，我們會反對中央結算系統徵收“登記費”，因為這將會打擊投資者對於在成員登記冊上進行登記的意欲。基於類似的理由，如果中央結算系統可能就中央結算系統與發行人登記冊的非實物式持有量之間的股份轉移收取任何費用 (如有) 的話，我們希望有關收費會屬於合理水平，以及不會削弱投資者進行登記的意欲(請參閱第 4.12 段)。
- 4.18 其中一位評論者注意到登記機構總會向該會的股份登記機構成員公布建議的收費準則，並關注到此舉可能妨礙登記機構之間的競爭。我們同意這點，並計劃修訂證監會的《股份登記機構操守準則》，以禁止任何會不必要地限制競爭的收費或其他慣例的建議。
- 4.19 香港交易所已決定將在 2003 年 10 月初，就無紙化模式的操作細節發表諮詢文件。香港交易所的諮詢文件參照本《諮詢總結》所述的分立登記冊無紙化模式，並會對操作細節加以補充。就若干方面而言，香港交易所亦提出若干不同的特點。本《諮詢總結》第 4.12 和 4.13 段，已就兩項不同的主要操作特點加以敘述。
- 4.20 我們正繼續與執行工作小組和各關注小組就無紙化模式的操作細節 (包括香港交易所的操作細節) 進行討論。與此同時，我們亦與政府合作制訂有關的立法修訂，以利便無紙化模式的建立。我們日後將會就上述事宜進行諮詢。

詞彙釋義

《2002年諮詢文件》 – 證監會在2002年2月發表的《關於建立無紙化證券市場的建議的諮詢文件》

認可股份登記機構 – 指屬總會成員的認可股份登記機構 (或身為本身的股份登記機構的上市公司)。

中央結算系統 – 指由香港中央結算有限公司 (即香港交易所的全資附屬公司兼認可結算所) 操作的中央結算及交收系統。

中央結算系統參與者帳戶 – 指中央結算系統內的無紙化登記帳戶，請參閱第3.3(a)段的詳細描述。就這帳戶而言，有關股票會以中央結算系統參與者 (而非其客戶) 的名義登記。

中央結算系統參與者保薦帳戶 – 指中央結算系統內由中央結算系統參與者操作的無紙化登記帳戶，但有關股票通常會以在第3.3(b)段詳細描述的“獲保薦”客戶股東的名義登記。

中央結算系統登記冊 – 指反映在中央結算系統帳戶中的持有量的該部分登記冊。當與發行人的登記冊結合起來，便成為整套登記冊。

證明書 – 指用作證明持有人的股份所有權的實物股份證明書；以及就股票、股東和持有量而言，“憑證式”一詞應據此作出詮釋。

企業行動/企業通訊 – 指上市公司為利便其證券的登記股東參閱或採取行動而發表的任何通訊資料。

企業權益 – 指登記股東有權享有的事物，例如股息、投票權及獲給予全面要約等的權利。

非實物化 – 指將憑證式持有量轉化為無紙化持有量的過程。

總會 – 指根據《證券及期貨(在證券市場上市)規則》的規定，獲得證券及期貨事務監察委員會認可的證券登記公司總會。

香港交易所 – 指身為認可交易所控制人、上市公司以及香港中央結算和聯交所等的擁有者的香港交易及結算所有限公司。

香港中央結算 – 指身為認可結算所和香港交易所全資附屬公司的香港中央結算有限公司。

轉讓文書 – 指轉讓股票的所有權時所需的實物文書。

投資者參與者帳戶 – 指在中央結算系統以投資者名義開立的無紙化登記帳戶，該帳戶將會根據第 3.3(c)段詳述的方式由投資者操作。

發行人登記冊 – 指由登記機構代公司備存的該部分登記冊。當這份登記冊與中央結算系統的登記冊結合起來，便成為整套登記冊。

發行人登記冊帳戶 – 指直接在登記機構開立的無紙化登記帳戶，請參閱第 3.4 段的詳細描述。

成員 – 除非文意另有規定，指持有公司的登記股份和其持有登記股份一事已反映在該公司的成員登記冊內的公司成員。

登記冊 – 指所有登記持有人和其各自的持有量的記錄；如屬股份，則有關的登記冊記錄了公司所有成員和其持有量，並稱為成員登記冊。

登記機構 – 指備存成員登記冊的人士。

變回實物 – 指將無紙化持有量轉化為憑證式持有量的過程。

無紙化 – 指無需實物證明書和無需實物轉讓文書亦可以進行轉讓的證券持有方式。

聯交所 – 指身為交易所公司和香港交易所全資附屬公司的香港聯合交易所有限公司。

證監會 – 指證券及期貨事務監察委員會。

股東參考編號 – 指在第 3.4 段進一步詳述的由登記機構提供予發行人登記冊帳戶持有人的編號。

股票 – 在無紙化模式下，指可以無紙化方式持有的上市公司或其他指明的公司的股票。

分立登記冊模式 – 指建基於分別由中央結算所（中央結算系統）和股份登記機構所備存的登記冊之上的無紙化模式。

(0309065/py)

Scripless Implementation Working Group - Member List

Federation of Share Registrars
Financial Services and the Treasury Bureau
Hong Kong Exchanges and Clearing Limited
Securities and Futures Commission

Scripless Model Technical Working Group - Member List

Federation of Share Registrars
Hong Kong Exchanges and Clearing Limited
Securities and Futures Commission

Market Participants Focus Group - Member List

ABN AMRO (Asia) Ltd
BOC International Holding Limited
Citibank
Hong Kong Investment Funds Association
Hong Kong Securities Industry Group
Hong Kong Stockbrokers Association Ltd
Mr. Alan Lee
Morgan Stanley Dean Witter Asia Limited
Securities and Futures Commission
State Street Bank & Trust Co
The Hongkong and Shanghai Banking Corporation Limited
The Hong Kong Association of Banks
The Institute of Securities Dealers Ltd

Listed Companies Focus Group - Member List

CLP Holdings Limited
COSCO Pacific Limited
Giordano International Limited
Global China Technology Group Limited
Gold Peak Industries (Holdings) Limited
Hong Kong Exchanges and Clearing Limited
Hong Kong General Chamber of Commerce
John Swire & Sons (HK) Ltd
MTR Corporation Limited
Phoenix Satellite Television Holdings Limited
Securities and Futures Commission
The Chinese General Chamber of Commerce
The Hongkong and Shanghai Banking Corporation Limited
The Hong Kong Institute of Company Secretaries
The Hong Kong Institute of Directors
Wah Sang Gas Holdings Limited

Legal and Regulatory Practitioners Focus Group - Member List

Companies Registry
Hong Kong Exchanges and Clearing Limited
Hong Kong Monetary Authority
Johnson Stokes & Master For the Federation of Share Registrars
Mandatory Provident Fund Schemes Authority
Office of the Commissioner of Insurance
Securities and Futures Commission
The Law Society of Hong Kong

Summary of Comments on Proposals for a Scripless Securities Market

(Note: This table compiles all comments received from the public consultation and main points raised at discussions of the Focus Groups and by other bodies who received briefings on the proposals.)

General Comments

Item No 1	Respondent's Comments	<p><i>The Consumer Council:</i></p> <p>Highlights 4 main issues which should be addressed to gain consumer's acceptance of the scripless proposals:</p> <ul style="list-style-type: none"> (i) Investors should be able to get physical documents on request. (ii) Investor education efforts are necessary. (iii) Cost savings from scripless trading should be passed to consumers. (iv) System integrity. <p>The <i>SFC's Shareholders Group</i> also made points (ii) and (iii) in particular.</p>
	SFC's Response	<p><i>Noted, and:</i></p> <ul style="list-style-type: none"> (i) <i>Agreed and will apply in the initial stage. Please see responses to Item Nos.20 to 22, below.</i> (ii) <i>Agreed. Please see response to Item No.12, below.</i> (iii) <i>Agreed. Please see responses to Item Nos.10 and 52, below.</i> (iv) <i>Agreed. Please see responses to Item Nos. 47 to 48, below.</i>
Item No 2	Respondent's Comments	<p><i>The Federation of Share Registrars:</i></p> <p>Supports scripless initiatives in particular the proposal for bringing names on register. Believes that they would allow more effective investor relationship programmes for listed companies and facilitate corporate governance.</p>
	SFC's Response	<p><i>Noted. This is one of the objectives of the proposals in the 2002 Consultation Paper.</i></p>
Item No 3	Respondent's Comments	<p><i>The Hong Kong Association of Online Brokers:</i></p> <p>Supports the initiative, which would help expedite online trading, as well as address processing impediments to a fully electronic trading environment. Current processes are cumbersome, time-consuming, costly and (not) user-friendly.</p>
	SFC's Response	<p><i>Noted. One of the objectives of the proposals in the 2002 Consultation Paper is to provide an efficient means for securities registration and more efficient transactions processing.</i></p>
Item No 4	Respondent's Comments	<p><i>The Hong Kong Association of Bankers:</i></p> <p>Views the initiative as conducive to the development of Hong Kong as a financial centre.</p>
	SFC's Response	<p><i>Agreed.</i></p>

Item No 5	Respondent's Comments	<i>The Hong Kong Institute of Directors:</i> Agrees with the proposals as an important step to enable STP across worldwide financial markets. Believes that maintenance of 2 registers will help facilitate electronic registration transfer and corporate actions. Highlights the 3 options for holding shares, and believes that more shareholders will elect to have name on register for greater information flow and transparency.
	SFC's Response	<i>Noted and agreed.</i>
Item No 6	Respondent's Comments	<i>The Hong Kong Society of Accountants:</i> Agrees in principle with the general direction of the proposals. Suggests that market practitioners are better placed to comment on detail.
	SFC's Response	<i>Noted.</i>
Item No 7	Respondent's Comments	<i>HSBC Holdings Plc:</i> Supports the proposal to move towards a scripless securities market, with the benefits discussed in the Consultation Paper. Believes this will bring Hong Kong in line with international practices.
	SFC's Response	<i>Noted.</i>
Item No 8	Respondent's Comments	<i>The Law Society of Hong Kong:</i> Welcomes the initiatives for the reasons set out in the Consultation Paper. More detail on legislative proposals is needed before specific comments can be made on those aspects. Also considers it logical to split the functions of HKSCC as guarantor of trade and the functions it performs as operator of CCASS, so that the system operator would not be exposed to financial risks in the event of an exchange participant's default.
	SFC's Response	<i>From a cost-benefits perspective a separate entity may not be justifiable. First it should be noted that the proposed scripless system merely builds on HKSCC's current role today. The SFC already requires HKSCC as a central counterparty to prudently manage its risks as the operator of the clearing and settlement system and regulates it closely. Secondly HKSCC will not be the sole operator of the proposed registration system. While there will be legal finality to transfers on entry in CCASS books, the transfers will be replicated in the share registrar's records by the end of each day. Under such circumstances, it may not be justifiable to create a separate entity for registration purposes and to duplicate regulatory efforts.</i>
Item No 9	Respondent's Comments	<i>Standard Chartered Bank plc:</i> Supports the general direction of going scripless and enabling shares to be issued and transferred electronically. Notes that the technical details for transfers between the 2 registers are a critical success factor but cannot comment in the absence of such detail.
	SFC's Response	<i>Noted. The Implementation Working Group (IWG) will publish technical and operational details.</i>

Item No 10	Respondent's Comments	A member of the <i>Listed Companies Focus Group</i> expressed concern over the raising of the cost of registration over the short term.
	SFC's Response	<i>The question of the short term costs and fees for registration is still under consideration. Discussions will be held with the IWG with a view to assuring that any applicable fees and charges are reasonable. The experience in other jurisdictions such as the UK and Australia is that over the medium to long term scripless transfers cost less than paper transfers.</i>
Item No 11	Respondent's comments	The <i>Hong Kong Stockbrokers Association</i> also raised possible cost implications to brokers.
	SFC's Response	<i>Agreed. The costs may depend on the structure of the proposed model and the brokers will be in a better position to assess the costs implications once the operational and technical details are finalized. However it might be noted that the scripless proposals attempt to leverage as far as possible on existing infrastructure to minimize changes as far as possible.</i>

Implementation Working Group, Page 3, paragraph 5(g)

Item No 12	Respondent's Comments	<i>The Consumer Council:</i> Notes the importance of investor education to prevent confusion and that the working of the scripless proposals should be as transparent as possible. Supports the proposal that the Implementation Working Group should assist in a widespread community education plan to prepare the market. Stresses the importance of taking into account the views of small shareholders in the plans for implementation.
	SFC's Response	<i>Agreed. The IWG intends to publish the technical and operational details of the proposals before implementation and follow up with investor education programs.</i>
Item No 13		The <i>Hong Kong Association of Stockbrokers</i> also expressed the concern that retail investors will find the scripless environment confusing.
	SFC's Response	<i>Noted. See response to Item No 12</i>
Item No 14	Respondent's Comments	<i>HSBC Holdings Plc:</i> The SFC should consider inviting a representative from a listed issuer to ensure all parties' interests are represented.
	SFC's Response	<i>Agreed. There is now a Listed Companies Focus Group with representatives from the listed companies (including HSBC). The comments of the Focus Group feed into the main IWG.</i>

Fee structure, page 10, paragraph 18

Item No 15	Respondent's Comments	<i>The Hong Kong Institute of Online Brokers:</i> Cautions that the success of the scripless securities market would depend on the cost structure put forward by HKEx as franchisee of the clearing and settlement system.
	SFC's Response	<i>Noted. HKEx and SFC are currently working together to consider an appropriate fees structure for CCASS.</i>

Item No 16	Respondent's Comments	<i>The Hong Kong Institute of Directors:</i> Notes that the success of the proposals is dependent on the cost to be imposed by CCASS as franchisee (of the system) under the Securities Ordinance.
	SFC's Response	<i>Noted. HKEx and SFC are currently working together to consider an appropriate fees structure for CCASS.</i>
Item No 17	Respondent's Comments	<i>Standard Chartered Bank plc:</i> Emphasises that transfers between the CCASS and Issuer Registers should be electronic and on a free of charge basis to gain market acceptance.
	SFC's Response	<i>Noted. The IWG is still working on the question of costs for transfers, which is dependent to some degree on the fees structure of CCASS.</i>

Proposed registration on the CCASS Register, page 13, paragraph 27

Item No 18	Respondent's Comments	<i>The Law Society of Hong Kong:</i> Proposes that consideration be given to ensuring that procedures address potential securities shortfall because of the extensive nature of the dematerialization/conversion exercise. Also seeks clarification as to whether the CCASS nominee will be transferring all listed shares held by it as legal owner in the register of members of each listed company, as the CCASS nominee is potentially exposed to liabilities in respect of such transfers. Considers that since the transfers will be to CCASS Participants who are liable for defective title, the risk to CCASS is significantly reduced but not eliminated.
	SFC's Response	<i>The IWG will draw from the experience of the other jurisdictions, such as UK and Australia, which have undergone a dematerialization exercise to ensure that the possible issue of securities shortfall will be dealt with. For holdings within CCASS there will also be processes for the submission of certificates to share registrars for authentication and reconciliation.</i> <i>Noted. CCASS Nominee will transfer shares held by it into the names of CCASS Participants. As correctly pointed out, it will be exposed to the same risks for transfers as it is today.</i>
Item No 19	Respondent's Comments	<i>The Hong Kong Securities Institute:</i> Questioned if CCASS Participants will need to have an account in CCASS or a share registrar if he wishes to own stock. Proposes that CCASS' Investor Participant facility should allow investors to hold stock transferred from CCASS Participants at a cost no higher than he would incur with certificates.
	SFC's Response	<i>Yes. The Consultation Paper contemplates in paragraph 30(e) that fees for electronic registration will be less than fees for registration of the certificated transfers. The costs of electronic transfers within CCASS will be dependent on the CCASS fees structure.</i>

Option for scrip/rematerialization, page 14, paragraph 30(a); pages 19 and 20, paragraph 39

Item No 20	Respondent's Comments	<i>The Consumer Council:</i> Is of the view that retail investors should still be able to obtain some form of physical document, for investor confidence especially for broker default. This was also a concern noted by <i>the Hong Kong Stockbrokers Association</i> . The Consumer Council suggested that physical documents should be available on request and for a reasonable fee.
	SFC's Response	<i>Investors will be able to obtain scrips from the issuer, at least during the initial stages until the scripless environment gains acceptability. Investors will also receive statements of account and of securities movements from CCASS, the registrar, or a CCASS Participant depending on the type of account held.</i>
Item No 21	Respondent's Comments	<i>HSBC Broking Nominees (Asia) Limited:</i> Is of the view that to only permit withdrawals of physical scrip from the Issuer Register through CCASS Participants would be cumbersome. Proposes that CCASS retains its current system of withdrawals through CCASS with an added administrative cost. This would discourage the use of scrip while eliminating administrative burdens.
	SFC's Response	<i>As explained in paragraph 30(a) of the 2002 Consultation Paper certificates within CCASS will have been cancelled and its inventory depleted. However, we understand that CCASS is considering a service to facilitate withdrawals for pick up at the registrar.</i>
Item No 22	Respondent's Comments	<i>The Law Society of Hong Kong:</i> Questions whether this is a real issue and whether it was more of a retail investor concern. Not clear whether the proposal is that (i) withdrawal of shares from CCASS, will not be possible (at all) once shares are deposited into CCASS after the scripless market has been adopted or (ii) whether withdrawals from CCASS will be possible but in <i>some</i> cases only, with the result that CCASS might still need to retain physical scrips in order to deal with rematerialisation cases.
	SFC's Response	<i>Noted. However, many respondents including those in the Listed Companies Focus Group consider that the retail shareholders would prefer to have the option to hold share certificates, at least in the initial stages of implementation.</i> <i>There is no intention for CCASS to retain physical scrips once shares have been deposited into CCASS though shares may be withdrawn from the Issuer Register. In respect of CCASS' possible role in withdrawals, please see response to Item No 21.</i>
Item No 23	Respondent's Comments	The <i>Market Participant Focus Group</i> also raised the question of rematerialization. There were diverging comments expressed about whether clients would like to keep physical scrips or not.
	SFC's Response	<i>Noted. See response to Item No 22</i>

Finality of transfers on CCASS, page 14, paragraph 30(c)

Item No 24	Respondent's Comments	<p><i>The Hong Kong Society of Accountants and the Standing Committee on Company Law Reform:</i></p> <p>Observe that the proposed amendment to remove the power of the court to rectify the register would be a significant legal change. Considers that more justification is needed for this proposal.</p>
	SFC's Response	<p><i>Noted. At the moment the thinking is that the legislation will not remove the court's powers to rectify the register. A consultation will be conducted on the proposed legislative amendments.</i></p>
Item No 25	Respondent's Comments	<p><i>HSBC Holdings Plc:</i></p> <p>Proposal for restrictions on rectification should be considered carefully, to deal with genuine mistakes and the laws applicable to overseas- incorporated companies with listings on the Hong Kong Stock Exchange.</p>
	SFC's Response	<p><i>Noted and agreed.</i></p>
Item No 26	Respondent's Comments	<p><i>The Law Society of Hong Kong:</i></p> <p>Supports the proposal subject to:</p> <ul style="list-style-type: none"> (i) an adequate investor compensation regime; (ii) rectification being allowed if CCASS has a malfunction causing erroneous transfers.
	SFC's Response	<p><i>Views accepted. (i) A new investor compensation scheme took effect from 1 April 2003. (ii) At the moment the thinking is that the legislation will not remove the court's powers to rectify the register. See also response to Item 24.</i></p>
Item No 27	Respondent's Comments	<p><i>Standard Chartered Bank plc:</i></p> <p>The timing for finality of transfer is extremely important for investors.</p>
	SFC's Response	<p><i>Agreed.</i></p>

Choice of accounts and risks of brokers, page 15, paragraph 30(d); page 16, paragraph 30(f); page 21, paragraph 40

Item No 28	Respondent's Comments	<p><i>The Consumer Council:</i></p> <p>Considers this matter as an issue to be addressed from the perspective of system integrity. Does not recommend nominee holdings given the risks of broker default.</p> <p>Notes: -</p> <p>(i) the benefits of having names on register from the perspective of shareholder communications;</p> <p>(ii) that the “sponsored account” option involves a trade-off between trading efficiency and the risk of misappropriation by an intermediary;</p> <p>(iii) the “investor participant” type account would still entail a risk of misappropriation if investors give control of shareholdings to an intermediary for trading purposes.</p>
	SFC's Response	<p><i>Noted. The scripless proposals were not specifically designed to eliminate all credit risks or possibility of misappropriation by brokers. However, investors will have better options than exist today. First, they may choose to hold shares in their own name for better monitoring of account activity, for direct communications from the issuer, and at the same time for convenience of trading by authorizing brokers to move shares. Second, keeping shares in their own name reduces the risk of losing shares through an insolvent nominee who has commingled them. Third, the CCASS Investor Participant Account does provide a delivery versus payment option designed to protect investors from broker credit risk. Finally, some investors prefer a nominee so for this reason the option remains.</i></p>
Item No 29	Respondent's Comments	<p><i>The Hong Kong Institute of Online Brokers:</i></p> <p>Fully supports the options for holding shares to be made available to investors. Advocates “sponsored account” with broker on CCASS Register for trading convenience.</p>
	SFC's Response	<p><i>Noted.</i></p>
Item No 30	Respondent's Comments	<p><i>The Hong Kong Association of Banks:</i></p> <p>Believes that the proposal to allow investors to give authority to brokers to move stocks for trading/settlement does not alleviate concern regarding the credit risk of brokers.</p>
	SFC's Response	<p><i>Noted. Please see comments on Item No 28 above.</i></p>
Item No 31	Respondent's Comments	<p><i>Standard Chartered Bank plc:</i></p> <p>Believes that the option for investors to give brokers authority to transfer stocks for trading and settlement gives rise to investor protection concerns and should be discouraged.</p>
	SFC's Response	<p><i>Noted. The IWG intends to highlight the advantages and disadvantages of each of the options in the course of the investor education program.</i></p>

Taking security over securities, page 16, paragraph 30(g)

Item No 32	Respondent' s Comments	<i>The Law Society of Hong Kong:</i> Considers that the proposals should not limit the ways in which security may be given.
	SFC' s Response	<i>Noted. We do not believe these proposals limit the ways in which security may be given.</i>

Real time gross settlement and end of the period/day settlement, paragraph 30(i)

Item No 33	Respondent' s Comments	<i>The Law Society of Hong Kong:</i> The Consultation Paper does not really address this and questions whether the continuous net settlement and gross settlements regime will continue.
	SFC' s Response	<i>Noted. The CNS and gross settlement regime will continue.</i>
Item No 34	Respondent' s Comments	<i>The SFC Shareholders Group:</i> Notes the need to address the question of real time updating rather than in batches.
	SFC' s Response	<i>Noted and agreed. As explained in paragraph 4.12 of this paper, the SFC prefers the principle of real time processing and movements between registers during standard business hours. HKEx however has expressed its preference that share transfers between the CCASS Register and the Issuer Register be processed in a single batch at the end of each day. This matter will be the subject of further discussion among all parties involved.</i> <i>For the purposes of updating the Issuer Register with the details of movements within CCASS, while there may be more than one movement within CCASS, only the net movement at the end of the day will be reflected on the Issuer Register. An audit trail will remain in CCASS records.</i>

Amendments to listing rules, page 17, paragraph 31

Item No 35	Respondent' s Comments	<i>The Law Society of Hong Kong:</i> Notes that changes to the listing rules will also be necessary.
	SFC' s Response	<i>Noted. Discussions will be held with the Stock Exchange for the changes to listing rules.</i>

Overseas companies, page 17, paragraph 31

Item No 35	Respondent' s Comments	<i>HSBC Holdings Plc:</i> Highlights the importance of allowing movements between principal registers maintained by overseas companies and overseas branch registers to continue to operate as they do today.
	SFC' s Response	<i>Noted. It is not proposed that the current practices involving foreign and branch registers of overseas companies should be affected, especially where they involve foreign law requirements, but this comment will be drawn to the attention of the IWG.</i>

Item No 36	Respondent's Comments	<p><i>The Law Society of Hong Kong:</i></p> <p>Emphasizes the necessity to address conflicts of laws issues. Notes that there must be changes to foreign laws.</p> <p>If changes are not possible, then some of the benefits of the proposals could be achieved by enforced, rather than voluntary, immobilization. In particular consideration must be given regarding the movement of securities across the principal and branch registers, especially in the context of the dual-listed overseas-incorporated company.</p>
	SFC's Response	<p><i>Noted. The Legal and Regulatory Practitioners Group in particular will be consulted on these issues. Initial steps have been taken, such as obtaining legal advice on overseas laws and discussions with certain authorities overseas. This is with a view to harmonizing the laws of those jurisdictions with Hong Kong's proposed regime. This will include changes to the Articles of overseas companies.</i></p>
Item No 38	Respondent's Comments	<p><i>UBS Warburg:</i></p> <p>Suggests that a new arrangement should be put in place to address movements between Hong Kong registers and overseas registers. The SFC's Shareholders Group also raised this issue.</p> <p>Suggests that HKSCC should provide a removal service through the Issuer Register or be authorized to deal directly with the overseas register. Believes that this may entail a new functionality in CCASS.</p>
	SFC's Response	<p><i>Noted. It is not proposed that the current practices involving foreign and branch registers of overseas companies should be affected, but the IWG will consider whether new arrangements will be necessary. From the perspective of what legislative changes need to be made, the Legal and Regulatory Practitioners and Listed Company Focus Groups will be better able to consider these issues after consideration of the technical and operational details of the proposed scripless system.</i></p>

Issuer Register, page 18, paragraphs 35-38

Item No 39	Respondent's Comments	<p><i>The Hong Kong Institute of Online Brokers:</i></p> <p>Fully supports the proposal for 2 registers.</p>
	SFC's Response	<p><i>Noted.</i></p>
Item No 40	Respondent's Comments	<p><i>The Law Society:</i></p> <p>(i) Expresses surprise at the proposal for an Issuer Register which makes it more difficult to implement. Also notes the risks of operational failure and of theft and fraud. Considers that the proposal protects existing share registrars and is not in line with international practice. On concerns regarding HKEx's monopoly, considers that the concern could be minimized by having the system operated by an independent entity separate from HKEx such as CRESTCo. Limited in the UK.</p> <p>Notwithstanding its reservations, if the scripless proposals in the Consultation Paper goes forward, the Law Society makes the following comments:</p> <p>(ii) Paragraph 37: Consideration should be given to having a single unique name and password for all share registers on which a shareholder holds shares. This is more user-friendly and can help market surveillance.</p>

		(iii) Consideration should be given to allow CCASS Investor Participants to give written requests for transfers.
	SFC's Response	<p><i>Noted.</i></p> <p><i>(i) Much consideration has been given to this question. The Working Group and the Focus Groups have however agreed that the proposed split register model will best provide choice for investors and other market participants without upsetting longstanding relationships between listed companies and their registrars. We expect that it will be possible to follow the experience of CHESSE in Australia and Crest in the UK, both of which are split register models and have been successfully implemented without operational or other failures.</i></p> <p><i>(ii) The issue of single unique name and password for all share registrars is still under consideration. Registrars have indicated that investors may be able to change their passwords referred to as SRNs so that an investor who wishes to do so could use a single number.</i></p> <p><i>(iii) Written instructions will be possible with CCASS Investor Participant Accounts and possibly required with gifts or private off-market sales and purchases.</i></p>
Item No 41	Respondent's Comments	<p><i>UBS Warburg:</i></p> <p>Sought clarification on the following:</p> <p>(i) Will share registrars be consolidated into one?</p> <p>(ii) Suggests a single contact point for investors to enquire about all registrar-related matters.</p> <p>(iii) Whether an investor holding securities on the Issuer Register needs to submit transfer instructions to the Issuer to effect a transfer.</p> <p>(iv) Will holdings on CCASS Register and the Issuer Register be consolidated into one record. Will both CCASS and Issuer provide periodic statements to investors. Proposes a single periodic statement.</p> <p>(v) How will registrars maintain and verify the signatures of investors and the procedure for investors to set up a new account with the registrars. Note: The Listed Companies Focus Group also raised the question as to whether or not physical signatures of proxies will continue to be required and verified.</p> <p>(vi) Whether there will be a unique identifier in the form of the ID or passport number. Proposes that the ID/passport number should be filed with registrars when opening accounts to deal with identical names.</p> <p>(vii) Whether registrars charge a safekeeping fee to investors.</p>
	SFC's Response	<p><i>(i) The scripless proposals do not contemplate compelling registrars to be consolidated and it is intended that any consolidations will be left to market forces. Since the publication of the Consultation Paper in February 2002, out of 14 share registrars, there have been two major consolidations. Abacus Share Registrars Ltd, Friendly Registrars Ltd, Progressive Registration Ltd, Secretaries Ltd, Standard Registrars Ltd and Tengis Ltd. are consolidated under "Tricor Holdings Limited" and Central Registration Hong Kong Limited and Hong Kong Registrars Limited have been merged to form "Computershare Hong Kong Investors Services Limited".</i></p> <p><i>(ii) Noted. The IWG will consider this comment. For specific information regarding an investor's accounts across Issuer Registers, the share registrars have indicated the</i></p>

		<p><i>possibility of consolidating all the information relating to his various shareholdings on different share registers operated by the share registrar.</i></p> <p><i>(iii) The current proposal is that the investor will need to provide his SRN to authorize a CCASS Participant to give transfer instructions.</i></p> <p><i>(iv) Yes, the CCASS Register will be sent to the registrar by the end of the day. This will be available for public inspection. CCASS, the registrar, or the CCASS Participant will provide periodic statements to investors depending on the account type.</i></p> <p><i>(v) Under the scripless proposals, once the investor has been assigned an SRN or user name and password, or chooses to use a digital signature, the electronic submissions rather than manual signatures, will verify the instruction. New accounts for CCASS Participant Sponsored Accounts will be set up by the CCASS Participants and CCASS. New Issuer Register Accounts will be opened via subscription for IPO shares or transfer to such an account; the registrars will open accounts automatically in these circumstances after receiving the shareholder's name and address.</i></p> <p><i>(vi) Please see response to Item No 40, paragraph (ii).</i></p> <p><i>(v) It is not contemplated that registrars will charge a safekeeping fee to investors.</i></p>
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Proposed Scripless Registration on Issuer Register, page 18, paragraph 35

Item No 42	Respondent's Comments	<p><i>HSBC Holdings Plc:</i></p> <p>Shareholders who wish to have scripless holdings who are unable to locate share certificates should be allowed to provide a simple declaration rather than go through the process of first obtaining replacement scrips. If the proposal for immediate credit is revisited, the risks of cancelled certificates being used mistakenly or fraudulently is the same as they are today in relation to a certificate previously reported lost but which is subsequently used.</p>
	SFC's Response	<p><i>Noted. It is proposed that conversions will take place in accordance with the rules of the recognized clearing house or the procedures of the approved shares registrars. This comment will be drawn to the attention of the IWG.</i></p>
Item No 43	Respondent's Comments	<p><i>The Consumer Council:</i></p> <p>Supports a transitional approach towards the scripless system and believes it necessary to allow market participants to adjust and manage changes. Note: Differing views were expressed by members of the <i>Listed Companies Focus Group</i>, with one listed company supporting a longer transition period for companies with large shareholder base and another suggesting a mandatory scripless environment at the outset.</p>
	SFC's Response	<p><i>Noted and agreed.</i></p>
Item No 44	Respondent's Comments	<p><i>The Hong Kong Securities Institute:</i></p> <p>(i) Notes that it is important that electronic shares in CCASS must be fully backed by proper title of certificates before they are dematerialized.</p> <p>(ii) Proposes also that share registrars should have guidelines as to how to encourage the conversion into scripless securities to existing issuers operating on a certificated basis.</p>

	SFC's Response	<p><i>Noted.</i></p> <p><i>(i) There will be procedures for submission of certificates for authentication by registrars and the reconciliation of records.</i></p> <p><i>(ii) The proposal for guidelines to share registrars on encouraging conversions to scrips will be drawn to the attention of the IWG for consideration.</i></p>
Item No 45	Respondent's Comments	<p><i>UBS Warburg:</i></p> <p>(i) Asks for the timeline for rollout of the scripless securities market.</p> <p>(ii) Seeks clarification as to whether there will be an initial conversion period during which physical scrips will be cancelled. Proposes no charge for cancellation during the initial period.</p> <p>(iii) Proposes that the conversion cost after the initial conversion period will be at a reasonable rate.</p>
	SFC's Response	<p><i>(i) Noted. The rollout of the scripless market will depend on having the technical and operational aspects of the system in place, on the readiness of market participants and on the enactment of legislative amendments.</i></p> <p><i>(ii) There will be an initial conversion period during which scrips within CCASS will be cancelled, and investors may submit scrips for cancellation through CCASS or the share registrar directly.</i></p> <p><i>(iii) The IWG is considering the question of costs.</i></p>
Item No 46	Respondent's Comments	<p>The <i>Listed Company Focus Group</i> also noted that members should be able to keep scrip for souvenir purposes.</p>
	SFC's Response	<p><i>Noted. It is currently contemplated that the law would be flexible enough to permit this to take place.</i></p>

System integrity, paragraph 38

Item No 47	Respondent's comments	<p>The <i>Consumer Council</i> has 2 comments under this sub-head:</p> <p>(i) Comments on the options for shareholders to hold shares (this was discussed above). Considers that the system should have clear guiding principles and high standards of security and risk management.</p> <p>(ii) It proposes that the system should have independent auditing procedures and safeguards. This is to ensure that there is no loss of confidence in the system.</p> <p>The <i>Consumer Council</i> cites the <i>Electronic Transactions Ordinance</i> and the powers of the <i>Director of the Information Technology Services Department</i> as an example. Auditing takes place with assurances of technical aspects of the system and procedural issues.</p>
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	SFC's Response	<i>As far as CCASS is concerned, the SFC and securities laws already provide for regulation of CCASS. As for the share registrar systems, the Federation of Share Registrars and their systems are already regulated through the Code of Conduct for Share Registrars. The SFC will revisit the Code to ensure that it deals with all aspects of the system once the details are close to finalization.</i>
Item No 48	Respondent's comments	<p><i>The Law Society of Hong Kong:</i></p> <p>Considers that the protection of shareholders' interests is important given the proposals for finality of transfers. Recommends that consideration be given to adopting a suitable investor compensation regime, suggesting bank deposit insurance schemes, compulsory insurance by share registrars and the use of investor compensation company under Part III, Division 5 of the SFO.</p> <p>Note: This is an issue also noted by the <i>Listed Companies Focus Group</i>. Additionally the <i>Legal and Regulatory Practitioners Group</i> has also raised the question as to the future regulation of Share Registrars.</p>
	SFC's Response	<i>On the issue of system integrity generally, please see SFC's response to Item No 47. A new investor compensation scheme took effect on 1 April 2003. A bank deposit insurance scheme is being handled by the Hong Kong Monetary Authority. Compulsory insurance will be drawn to the attention of the IWG.</i>

Certificates, page 19, paragraph 39(a)

Item No 49	Respondent's comments	<p><i>The Law Society of Hong Kong:</i></p> <p>(i) Recommends that shareholders should be able to surrender physical shares directly to the registrar for entry on the Issuer Register.</p> <p>(ii) Recommends compulsory dematerialization/conversion of all securities to take effect either on a single date or to impose a long stop date. This is on the basis that there will be pools of shareholders who will not respond or cannot respond, with potential implications in terms of costs and time of running two parallel systems.</p>
	SFC's Response	<p><i>(i) Noted. This is the proposal.</i></p> <p><i>(ii) Noted. It is currently contemplated that the law would allow the SFC, after consultation with the Financial Secretary, to declare a date by which the securities of any issuer must operate on a completely dematerialized basis.</i></p>
Item No 50	Respondent's comments	<p><i>UBS Warburg asks:</i></p> <p>(i) If the confirmation of a transfer for physical stock will remain 10 days or be shortened?</p> <p>(ii) How soon will CCASS grant credit for physical share deposits.</p> <p>(ii) How shares with special legends in physical form (which today would not be accepted by CCASS) will be dealt with.</p>
	SFC's Response	<p><i>(i) For market trades, it is contemplated that physical stock will have to first be dematerialized and with a view to shortening significantly the current time frames.</i></p> <p><i>(ii) CCASS and the registrars are discussing how quickly credit can be given.</i></p> <p><i>(iii) Except for limited issues where restrictions on the transferability of shares were permitted and "grandfathered", HKEx requirements generally mean that special</i></p>

		<i>legends for listed securities will be obsolete in future. For those few shares with legends, it is expected that they will continue to exist in certificated form until the restrictions are removed or are otherwise dealt with under the listing rules or CCASS rules.</i>
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Registration fees on Issuer Register, page 20, paragraph 39(d)

Item No 51	Respondent's comments	<i>The Consumer Council:</i> Supports the proposal that the registration fees should be borne by the listed companies, which is also in line with international practice. Believes that shareholders should also benefit from any consequent cost reductions.
	SFC's Response	<i>Noted and agreed. The 2002 Consultation Paper contemplates that registration costs for scripless shares be dealt with in service agreements between the listed companies and the share registrar. The 2002 Consultation Paper contemplates that shareholders should benefit from any cost savings that result from implementing a scripless system.</i>
Item No 52	Respondent's comments	<i>The Federation of Share Registrars:</i> Does not agree that the registration fees should be dealt with by service contracts between listed issuers and share registrars. It believes that fees should operate on a user-pay basis. It is of the view that the scripless proposals would raise listing expenses for the issuer and may weaken HKEx's competitiveness and asks that they be reconsidered.
	SFC's Response	<i>Disagree. Our research into overseas practice indicates that in most markets overseas the listed issuer bears the costs of registration fees. If additional fees are charged for scripless registrations, this may incentivise investors to hold nominee accounts through brokers. The principle guiding the IWG and proposals on fees is that investors should not be discouraged from having scripless accounts in their own names.</i>
Item No 53	Respondent's comments	<i>The Law Society of Hong Kong:</i> Disagrees with the proposal that transfer and registration fees should be borne by the issuer, since it means that passive long term shareholders are asked to subsidize the trading activities of more active investors. Considers that the overseas practice where transfer costs are borne by transferring shareholders is more equitable.
	SFC's Response	<i>Disagree. Please see our response to Item No 52.</i>

Issuer's scripless option, page 20, paragraph 39(e)

Item No 54	Respondent's comments	<i>The Law Society of Hong Kong:</i> Recommends that issuers that are not prevented by overseas laws from issuing scripless securities must do so.
	SFC's Response	<i>Noted. When the laws of foreign jurisdictions no longer impede the issuance of scripless securities, it is contemplated that the listing rules will require those companies to operate on a scripless basis in the same ways as Hong Kong-incorporated listed companies. Foreign legal advice has been obtained so that steps can be taken to harmonize the laws of other jurisdictions with proposed amendments to Hong Kong laws.</i>

E-IPO, page 21, paragraph 39(f)

Item No 55	Respondent's comments	<i>The Law Society of Hong Kong:</i> Recommends that paper prospectuses and application forms should be made available to investors since they would not all have access to electronic submission facilities.
	SFC's Response	<i>Noted. The scripless proposals have no implications on this issue.</i>

FinNet, page 21, paragraph 41

Item No 56	Respondent's comments	<i>The Law Society of Hong Kong:</i> Requires more information about FinNet, proposing that participants need to have full confidence in the system integrity. Suggests publications about relevant procedures and safeguards, and suggests that the issue should be considered in connection with the investor compensation regime. The <i>SFC Shareholders Group</i> also commented on the benefits of having a common database to enable shareholders to obtain information readily and to synchronize information between the registrars and CCASS.
	SFC's Response	<i>Noted and agreed. The SFC and other regulatory authorities regulate participants having access to FinNet, and will regulate CCASS, share registrars and other persons who operate a system for electronic transfers of listed securities. Accordingly, we will closely monitor system integrity. Procedures and safeguards will be found in the CCASS rules and the Code of Conduct for Share Registrars will be reviewed and revised accordingly. On investor compensation, a new regime has since come into force on 1 April 2003. As explained, an enhanced Investor Participant Account is being studied as an option to address concerns over broker default.</i>

Legislative changes, pages 25-26, paragraphs 57 and 62

Item No 57	Respondent's comment	<i>The Standing Committee on Company Law Reform.</i> Expressed concern over reliance on making rules to facilitate the implementation of scripless proposals, rather than dealing with them in primary legislation.
	SFC's Response	<i>Noted. The approach we have adopted in the current draft legislation differs from what was previously proposed in that legislative provisions will be in the primary legislation rather than relying heavily on subsidiary legislation. We have proposed a residual rulemaking power for the SFC, but we do not expect there to be much of a need to rely on this to implement the scripless model.</i>
Item No 58	Respondent's comments	<i>The Law Society of Hong Kong:</i> Highlights the following necessary changes to legislation: - <ul style="list-style-type: none"> • Stamp Duty Ordinance, section 19; • Probably Part III of the SFO in relation to clearing houses; • Possibly Part XV of the SFO (disclosure of interests). If an investor is on the uncertificated register of members but uses a sponsor, will the "sponsor" be treated as having a discloseable interest in the investor's shares.

		<p>(ii) Supports the proposal to allow scripless holdings to be created and transferred without amendments to a company's constitution.</p> <p>(iii) Supports the proposal to limit the court's power to rectify the register of members for the reasons stated in the Consultation Paper.</p> <p>In addition to the proposal for damages, recommends that there must be other remedies. This is because damages are an often inadequate or illusory remedy. These remedies should be in conjunction with (i) other procedures to safeguard the integrity of electronic share registers and transfers, (ii) a sufficient investor compensation regime.</p> <p>(iv) To support the finality of transfers, suggests amendments to Part III of the SFO, so that transfers of securities in accordance with the scripless system cannot be set aside under the laws on insolvency, regardless of whether the transaction is a market contract (i.e. executed on the Stock Exchange).</p>
	SFC's Response	<p>(i) <i>Noted.</i></p> <ul style="list-style-type: none"> • <i>The proposed amendments to deal with stamp duty issues will be dealt with in a consultation paper on legislative amendments.</i> • <i>On Part III of the SFO, the issue of insolvency protection extending beyond market contracts is being considered.</i> • <i>We do not believe it is necessary to amend Part XV of the SFO. Section 323(1)(i) of the SFO exists for avoidance of doubt, and makes it clear that Part XV does not apply to brokers acting as agents for settlement of securities transactions on the basis that they do not have any economic interests in the shares. We are of the view that Section 323(1)(i) and the rationale still applies in the scripless environment although CCASS Participants will have legal, rather than beneficial title under the scripless proposals.</i> <p>(ii) <i>Noted. It is currently contemplated that the law will proceed on this basis.</i></p> <p>(iii) <i>Several respondents to the Consultation Paper expressed concern over a proposal that the register cannot be rectified. As such, it is currently contemplated that the law will not remove the court's powers to rectify the register.</i></p> <p>(iv) <i>As mentioned above, the issue of insolvency protection extending beyond market contracts is being considered.</i></p>
Item No 59	Respondent's comments	<p><i>The Hong Kong Securities Institute</i></p> <p>Notes the need to address legal implications for listed companies incorporated overseas. Note: The <i>Legal and Regulatory Practitioners Focus Group</i> also raised these issues regarding overseas companies.</p>
	SFC's Response	<p><i>Noted. Foreign legal advice has been obtained so that steps can be taken to harmonize foreign laws with proposed amendments to Hong Kong laws.</i></p>

Refusal to transfer, page 26, paragraph 59

Item No 60	Respondent's comments	<p><i>Standard Chartered Bank plc:</i></p> <p>The circumstances under which the transfers may be refused should be clearly defined, and the period of 2 months (for giving notice of refusal) is too long and should be shortened to eliminate uncertainty.</p>
	SFC's Response	<p><i>The CCASS or listing rules and Code of Conduct for Share Registrars will deal with the notification of refusal, where there is a need for a time frame for notification of a refusal that is shorter than that required under section 69 of the Companies Ordinance. However, we expect there to be few if any refusals to register transfers of scripless shares.</i></p>

Stamp duty

Item No 61	Respondent's comments	<p><i>UBS Warburg:</i></p> <p>Currently, registrars check that transfers are stamped before transfer of title.</p> <p>(i) How will this be dealt with in future if a transfer form is not necessary?</p> <p>(ii) Also, how will a transfer (off market) from one registered investor to another be dealt with if there is no physical instrument?</p> <p>Note: The <i>Legal and Regulatory Focus Group</i> also notes the need to address stamp duty in relation to companies with dual-listings.</p>
	SFC's Response	<p><i>A physical instrument may still be necessary for off-market transfers between individuals but not for transfers processed by brokers and banks that are carried out within the scripless system. A consultation paper on legislative amendments will discuss in greater detail the relevant amendments to the Stamp Duty Ordinance.</i></p>

Procedure on proxy voting/corporate representatives

Item No 62	Respondent's comments	<p><i>UBS Warburg:</i></p> <p>HKSCC Nominee will no longer be the registered holder under the scripless proposals. Proposes that issuers should consider accepting corporate representative details or voting instructions from investors directly through CCASS and the Issuer Register system, since only these systems can verify the instructions.</p>
	SFC's Response	<p><i>Noted. The details for corporate action processing are still under discussion. This comment will be drawn to the attention of the IWG.</i></p>

Complete List of Respondents

1. Consumer Council
2. Federation of Share Registrars
3. The Hong Kong Association of Online Brokers
4. The Hong Kong Association of Banks
5. The Hong Kong Institute of Directors
6. Hong Kong Society of Accountants
7. Hong Kong Securities Institute
8. HSBC Holdings plc
9. HSBC Broking Nominees
10. The Law Society of Hong Kong
11. Standard Chartered Bank plc
12. UBS Warburg

Focus Groups

13. The Listed Companies Focus Group
14. The Legal and Regulatory Practitioners Focus Group
15. The Market Participants Focus Group

Bodies who received briefings

16. Hong Kong Stockbrokers Association Ltd
17. The Standing Committee on Company Law Reform
18. SFC Shareholders Group
19. SFC Advisory Committee