

26 June 2020

FAQ on exemption applications under Part XV of the Securities and Futures Ordinance

The following information should not be construed as legal advice that the Commission is providing to you. You should seek independent legal or other professional advice before taking action on the matters discussed below or if you have any doubt about how the law applies.

Q1: An issuer, who has issued listed bonds on the SEHK, was previously granted a Part XV exemption issued by the SFC in respect of the listed bonds. The same issuer is now considering to issue another series of bonds. Is the issuer required to get another Part XV exemption from the SFC?

A1: If an issuer was granted a Part XV exemption in respect of a particular issue of bonds (**Bonds**), such exemption is normally valid for the listing of any additional bonds which may be issued and be consolidated and form a single series with the Bonds provided that certain information set out in the exemption letter is and remains true and accurate.

In this case, given that the issuer is going to issue “*another series of bonds*”, which does not appear to be consolidated and form a single series with the bonds previously issued, the issuer is required to apply for a separate Part XV exemption for that.

Q2: An issuer received a Part XV exemption issued by the SFC in respect of the listing and issuance of notes under a programme. The same issuer is now planning to update the Programme. Is the issuer required to get another Part XV exemption from the SFC?

A2: Whether or not another Part XV exemption is required depends on the nature of the “update”.

It is not necessary to apply for a new Part XV exemption if the update is merely (i) an annual update of financial or other information; (ii) a change in programme size; or (iii) changes in the issuer’s related corporations and/or its directors and/or chief executive, provided that certain information set out in the exemption letter remains true and accurate following such an update. The exemption previously granted by the SFC will remain valid upon listing of the notes to be issued under the updated programme and can be applied to these notes.

However, a new Part XV exemption is required if the update involves a change in issuers (e.g. a new issuer will be added in addition to the original issuer(s)) as such change is material. The exemption previously granted by the SFC cannot be applied to the notes to be issued under the updated programme. A formal application for Part XV exemption is required to be submitted electronically through “WINGS”.

- Q3: With regard to paragraph 5.2(vi) of the [Guidelines for the Exemption of Listed Corporations and Other Persons from Part XV of the Securities and Futures Ordinance \(Disclosure of Interests\)](#), what is the meaning of a “related corporation” of an issuer who is listed on the SEHK?
- A3: Please refer to the definition of “related corporation” stated in section 3 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571) for details. Please note that a corporation, which issued listed debts, bonds or securities on the SEHK, is considered as listed on the SEHK.

Corporate Finance Division
Securities and Futures Commission