

Getting ready for Hong Kong's uncertificated securities market

Hong Kong is moving closer to a paperless regime under which investors can hold legal title to listed "prescribed securities" in their own names in electronic (uncertificated) form via platforms operated by SFC-approved securities registrars and connected to HKSCC/CCASS. Hong Kong's Securities and Futures Commission (**SFC**) and the Hong Kong Stock Exchange (**Exchange**) have issued guidance to help issuers prepare for the uncertificated securities market (**USM**) regime.¹ The implementation date for the USM (**USM Implementation Date**) is targeted for 16 November 2026.²

Key actions

- Existing issuers³ need to:
 - transition into USM from a specific deadline to be notified by the Exchange – the deadline will fall within five years from 16 November 2026;
 - appoint a USM-specific approved securities registrar to participate in the USM regime;
 - amend their constitutional documents to align with USM requirements within one year of 16 November 2026 or the first AGM after the said date (if later).
- New IPO securities: must be uncertificated from first listing on or after 17 November 2026.

We summarise below the key obligations for listed companies and listing applicants under the guidance.

Existing issuers

1. All listed issuers

From 16 November 2026, all issuers of prescribed securities⁴, irrespective of their place of incorporation, are required to:

- appoint and maintain an SFC-approved securities registrar (**ASR**); and
- if there are any subsequent changes to the ASR, notify the SFC and the Exchange three months in advance and make an announcement.

Not all ASRs will be able to provide USM services⁵ - please refer to the [SFC webpage on Approved Securities Registrars](#) for the list of ASR applicants and their scope of services. Existing issuers may retain a non-USM ASR after 16 November 2026 but will need to switch to a USM-specific ASR in order to participate in USM (see section 2 below).

2. Existing listed issuers incorporated in Mainland China, Hong Kong, Bermuda and Cayman Islands

Listed issuers of prescribed securities incorporated in Mainland China, Hong Kong, Bermuda or Cayman Islands that **listed on or before 16 November 2026** should:

¹ See the SFC's [Guidance Note for Issuers on Participating in the USM \(SFC Guidance\)](#) and the Exchange's [Guide on the USM](#).

² The launch date is subject to the negative vetting process of the Legislative Council.

³ For issuers incorporated in Mainland China, Hong Kong, Bermuda and Cayman Islands.

⁴ Prescribed securities are HK-listed shares, depositary receipts, stapled securities, interests in an authorised CIS withdrawable from CCASS, and subscription warrants and rights under a rights issue to subscribe for any of the above securities. USM participation of subscription warrants and rights under a rights issue will be determined differently.

⁵ As of the date of this briefing, two out of six ASR applicants have applied to provide USM services.

Action point	Timing	Supplemental information
Reach out to their share registrar/ ASR to discuss their proposed USM participation deadline and raise any timing concerns	As soon as possible	<p>Issuers will be notified by the Exchange, its ASR and the HKSCC of their specified deadline for USM participation – the date will fall within a 5-year period from the USM Implementation Date (i.e. 16 Nov 2026 to 15 Nov 2031).</p> <p>Once notified, the specified deadline cannot be deferred save in exceptional circumstances beyond the control of the issuer and ASR and will require the approval of the ASR, HKSCC and Exchange.</p> <p>The specified deadline and the date the issuer actually commences participation in the USM is expected in practice to be the same date.</p>
Review and amend their articles or bye-laws to be USM-aligned	By the first anniversary of the USM Implementation Date (i.e. 16 November 2027) or their first AGM after USM Implementation Date (whichever is later)	<p>The SFC Guidance contains sample articles for reference. Articles conflicting with the USM requirements must be amended and the regulators also expect as far as possible for the articles to <u>expressly</u> provide for the USM rather than remain silent.</p> <p>In practice, issuers should start the review process (including assessing for compatibility with home laws) as early as possible and not wait until notification of their specified deadline, with the objective of obtaining shareholder approval at the 2027 AGM.⁶</p>
Ensure a USM-specific ASR (who can provide and operate the relevant USM systems) has been appointed and obtain a confirmation of system readiness	Prior to USM participation date	As noted above, not all ASRs will be able to support USM. From 16 November 2026, issuers who change their ASR (e.g. switch to a USM-specific ASR) will need to notify the SFC and the Exchange 3 months before the change and make an announcement.
<p>Make various USM-related announcements including announcing its:</p> <ul style="list-style-type: none"> (i) specified deadline for USM participation; (ii) USM transition plan; and (iii) imminent transition to USM 	<ul style="list-style-type: none"> (i) Within one business day of being notified of its specified deadline (ii) At the same time as (i) if the transition plan is ready (or as soon as reasonably practicable upon finalising the plan) 	A USM transition plan announcement should include (amongst other aspects): its participation date; the steps the issuer will take or has taken to participate in USM; the impact of USM participation on the securities holders, including any actions required on the part of the securities holders and the

⁶ Hong Kong incorporated issuers may rely on deeming provisions under the Securities and Futures Ordinance to participate in USM before amending their constitutional documents, but they are still expected to change their constitutional documents as soon as reasonably practicable.

	(iii) No later than 21 business days prior to its USM participation date	implications of inaction; and a link to a USM-specific webpage (see below).
Maintain a USM-related webpage and update the information as necessary	From the USM transition plan announcement date to at least one year after USM participation date	The webpage should contain information set out in the USM-related announcements mentioned above.
Consider the timing of corporate actions around the USM participation date and avoid conducting or fixing key dates for corporate actions (e.g. entitlement determinations or book closures) within a moratorium period	Moratorium period is from 13 business days before to 10 business days after USM participation date	This does not preclude issuers from scheduling payments of cash dividends or holding general meetings within the moratorium period.
Comply with certain USM-related obligations applicable to all issuers of USM participating securities. This includes: (i) prohibition on issuing new securities in certificated form and paper title instruments (though pre-existing title instruments remain valid); (ii) book closure period not to exceed 2 business days at a time; (iii) notifying uncertificated holders of any changes to their balance; and (iv) maintaining a webpage with information previously included on the face of certificated documents of title	From USM participation date	The last day for registration of transfers which entitle receipt of physical title instruments must be the 10th business day prior to USM participation date (not being a book close day).
When conducting certain corporate actions, include USM-related disclosures in relevant announcements / circulars This applies to any corporate action that involves the exercise of the rights of a securities holder, the determination of entitlements, the handling of title documents or the registration of securities	From USM participation date when conducting corporate actions	Disclosures should include information regarding the deposit, registration, dematerialisation, transfer, trading and clearing arrangements of participating securities. Post-USM participation, processing lead times and clearing and settlement deadlines for corporate actions may change. Issuers should consult ASR at an early stage to plan an appropriate corporate action timetable.
Liaise with their ASR to dematerialise securities held through CCASS	Within six months of USM participation date	

3. Listed issuers incorporated in other jurisdictions

Such issuers are strongly encouraged to voluntarily participate in USM if their home laws are compatible with the regime.

New Listing Applicants

4. New listing applicants incorporated in Mainland China, Hong Kong, Bermuda and Cayman Islands

New listing applicants of prescribed securities incorporated in Mainland China, Hong Kong, Bermuda or Cayman Islands whose first listing falls **on or after 17 November 2026** are required to action the following:

- appoint a USM-specific ASR prior to listing application who can provide and operate the relevant USM systems;
- review / amend articles or bye-laws to be USM-aligned prior to listing. Those who are already listed on another exchange (e.g. A-share issuers) should plan ahead and allow sufficient time to assess their articles and obtain any necessary shareholders' approval (e.g. at an AGM) in advance of listing;
- include USM-related disclosures in the IPO prospectus.⁷ These disclosures include a summary of the impact of USM participation on securities holders, a statement that securities holders wishing to hold uncertificated holdings will require a USI profile with the issuer's ASR and a link to its USM-related webpage⁸; and
- ensure prescribed securities are uncertificated from listing. From listing, the obligations that apply to all issuers of uncertificated securities (such as prohibition on issuing participating securities in certificated form and making USM-related disclosures when conducting corporate actions) will apply.

New applicants planning to list before but close to 17 November 2026 should cater for possible delays to their listing date triggering the requirement to participate in USM from listing. Such issuers should liaise with the Exchange and consider the need to include the requisite USM disclosures in their prospectus (with language to reflect that the securities may be uncertificated depending on the listing date) and align their articles prior to listing.

Within the first year of the USM Implementation Date (i.e. until 16 November 2027), new applicants may apply to the Exchange for deferral of USM participation in exceptional circumstances e.g. where a new applicant was expecting to list before 17 November 2026 but was unable to do so and USM participation would unreasonably delay the listing schedule. The deferral cannot be to a date later than five years after 16 November 2026.⁹

5. New listing applicants incorporated in other jurisdictions

Such applicants are required to appoint an ASR prior to their listing application and are strongly encouraged to voluntarily participate in the USM if compatible with home laws.

Rematerialisation

In general, participating securities cannot be rematerialised other than on a delisting. Where any participating securities are to be delisted, the issuer must remove from the register of holders all entries stating that those units are held in uncertificated form and (if the articles so require) issue physical title instruments.

Please get in touch with one of the contacts on the next page or your usual Slaughter and May contact for further information on how you can get ready for the USM regime.

⁷ New applicants whose listing application is submitted prior to 16 Nov 2026 but whose listing date falls after that date must include USM-related disclosures in the draft listing document submitted for final approval; and those who submit a listing application on or after 16 Nov 2026 must include them in the Application Proof (with the USM disclosures redacted from the publication version).

⁸ The USM webpage must be maintained for at least a year after the listing date and updated as necessary.

⁹ If an applicant does not accept the Exchange's decision, it may apply to the SFC for USM exemption which may be granted in exceptional circumstances.

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