Uncertificated Securities Market "USM" workflow

Implementation Date: 16 November 2026

1. From 16 November 2026, IPOs of prescribed securities will be issued in uncertificated form. Existing prescribed securities will become participating securities in batches within five years. The first group of issuers is expected to participate in the first quarter of 2027. The detailed timetable will be published on the HKEX USM webpage.

2. Prescribed securities include shares, depositary receipts, stapled securities, interests in an authorized CIS (e.g. REIT) that are withdrawable from CCASS, subscription warrants and rights under a rights issue incorporated in Hong Kong, Mainland China, the Cayman Islands and Bermuda. Debt securities and structured products (e.g., callable bull/bear contracts and derivative warrants) are excluded.

3. Investors who wish to convert physical certificates of participating securities into uncertificated form may submit a dematerialisation request by depositing the certificates through a securities broker, or submit directly to the approved securities registrar (ASR). Investors can hold participating securities in their own name in uncertificated form through a USI facility operated by the ASR. Investors holding securities processed by different registrars will need more than one USI facility.

4. Once certificates have been dematerialised, the securities cannot be converted back into certificated form, except on delisting or with an SFC exemption.

5. Existing physical certificates remain valid after USM implementation. It is not compulsory for investors to deposit or dematerialise solely because of USM. Dematerialisation of existing certificates is optional and has no fixed deadline.

6. Once securities are participating, new shares arising from corporate actions can only be issued in uncertificated form. If an investor has not set up a USI facility, the entitlements will be recorded in a provisional USI until the facility is set up and confirmed. The investor cannot exercise or transfer those entitlements until the USI is in place.

7. USI transfers between HKSCC Nominees and a client's USI facility, and the deposit of physical shares into HKSCC, can only be processed on a No Change of Beneficial Ownership (NCBO) basis. The name before and after the transfer must match.

8. For any further enquiries relating to USI account (such as application/usage and fees) or holding of securities in certificated form, clients need to check with relevant ASR directly.

A. Share Deposit and Withdrawal workflow from 16 Nov 2026

Type	Form of securities held	Non-participating Securities	Participating Securities
Deposit into CCBI (CCASS)	**Certificates**	Document required from client: 1. Physical Securities Deposit Form 2. Physical Securities Certificates & *(Update)* Standard Form of transfer (if any) Time required: Within 10 business days. Fee to Client: 1. Transfer Deed Stamp Duty: HK$5 per transfer deed (collected for the HKSAR Government) 2. *(New)* Transfer and Registration Fee: 0.02% of market value, min. HK$20 per transaction (ASR Fee collected via HKSCC)	<<Dematerialisation with Transfer>> Document required from client: 1. Physical Securities Deposit Form 2. Physical Securities Certificates & *(Update)* Standard Form of transfer (if any) Time required: Within 5 business days. Fee to Client: 1. Transfer Deed Stamp Duty: HK$5 per transfer deed (collected for the HKSAR Government) 2. *(New)* Transfer and Registration Fee: 0.02% of market value, min. HK$20 per transaction (ASR Fee collected via HKSCC) 3. *(New)* Transactional Dematerialisation Fee: HK$5 per certificate, min. HK$20 per transaction (ASR Fee collected via HKSCC)
	Uncertificated (In ASR)	Not Applicable (No uncertificated securities for Non-participating Securities)	<<USI Transfer>> Document required from client: 1. *(Update)* Securities Settlement Instruction Form Time required: Within 2 business days after affirmation. Fee to Client: Nil ***Client needs to affirm the transfer through ASR's UNSRT system.* ***Transfer and Registration Fee is paid by client directly to the ASR****.*

Withdrawal out from CCBI (CCASS)	**Certificates**	Document required from client: 1. Physical scrip withdrawal Form Time required: Within 5 business days Fee to Client: 1. *(Update)* Stock Withdrawal Fee: 0.02% of market value min. $10 per withdrawal order	Not Applicable (Physical withdrawal is not allowed for participating securities)
	Uncertificated (In ASR)	Not Applicable (No uncertificated securities for Non-participating Securities)	<<USI Transfer>> Document required from client: 1. *(Update)* Securities Settlement Instruction Form Time required: Within 2 business days after affirmation Fee to Client: 1. *(Update)* Stock Withdrawal Fee: 0.02% of market value min. $10 per withdrawal order ***Client needs to affirm the transfer through the ASR's UNSRT system.*

Remark:

1. Currently for physical share deposit there is only HK$5 Transfer Deed Stamp Duty. After 16 Nov 2026, a **Transfer and Registration Fee applies to deposits of non-participating securities, and both a Transactional Dematerialisation Fee and a Transfer and Registration Fee apply to deposits of participating securities held in certificated form.**
2. The Transfer and Registration Fee and Transactional Dematerialisation Fee collected by HKSCC are the actual fee charged by the relevant ASR (subject to the SFC limits of 0.02% min. HK$20 for Transfer and Registration Fee, and HK$5 per certificate min. HK$20 for Transactional Dematerialisation Fee). Different ASRs may charge different rates within those limits.
3. The above workflow is applicable to physical certificates deposit/withdrawal and transfers with ASR in uncertificated form, workflow and charges for CCASS Investor Settlement Instruction (I.S.I.) and settlement instruction (S.I.) between other brokers remain unchanged.

B. Useful Link and Contact

1. SFC USM Webpage:
   https://www.sfc.hk/en/Rules-and-standards/Uncertificated-Securities-Market
2. SFC FAQ for USM
   https://www.sfc.hk/en/Rules-and-standards/Uncertificated-Securities-Market/Frequently-asked-questions-about-USM
3. List of Approved Securities Registrars
   https://www.sfc.hk/en/Rules-and-standards/Uncertificated-Securities-Market/Approved-Securities-Registrars
4. HKEX USM Webpage
   https://www.hkex.com.hk/Services/Settlement-and-Depository/USM?sc_lang=en
5. The Investor and Financial Education Council (IFEC) USM Webpage
   https://www.ifec.org.hk/web/en/investment/market-intermediaries/financial-market/usm/at-a-glance.page
6. Computershare FAQ for USM
   https://www.computershare.com/hk/en/personal/shareholders/usm-faq

Contact of ASR:

1. **Computershare Hong Kong Investor Services Limited**
   Hotline: +852 2862 8555
   https://www.computershare.com/hk/en

2. **Tricor Investor Services Limited**
   Hotline: +852 2980 1333
   https://srhk.vistra.com