

The Era of Paperless Shares and Digital Governance: The Dual Infrastructure Reforms Shaping Listed Companies' Obligations in 2026



Immediate Action Required in face of USM and IAP Deadlines

The two reforms launched by Hong Kong Exchanges and Clearing Limited (HKEX) this year impact all companies listed in Hong Kong and carry compliance deadlines. The "Uncertificated Securities Market" (USM) regime will officially take effect on November 16, 2026, alongside the simultaneous implementation of corresponding amendments to the Main Board Listing Rules (the "Listing Rules"); concurrently, the next-generation regulatory communication platform, "HKEX Issuer Access Platform" ("IAP" or "Issuer Access"), will accept registrations in phases starting from the second quarter of 2026, with full implementation expected by 2026.

The two reforms are fundamentally different in nature: the USM is a structural regime change at the legislative level with mandatory compliance deadlines and clear consequences for non-compliance, while the Issuer Access Platform represents an operational transformation. However, the impact of the latter is equally profound — it is to become the sole regulatory communication channel between listed issuers and the Listing Division of The Stock Exchange of Hong Kong Limited (the "Exchange"). Both initiatives require listed issuers to begin deployment immediately rather than waiting until the deadlines approach.

I. Uncertificated Securities Market (USM)

The USM regime replaces physical share certificates with electronic records as the legal basis for holding and transferring securities in the Hong Kong securities market, aligning Hong Kong with other major markets that have implemented dematerialization, such as the United Kingdom, Australia, and Mainland China. The legislative foundation of the regime was established by the Securities and Futures and Companies Legislation (Amendment) Ordinance 2021. Relevant subsidiary legislation was subsequently formulated and completed the negative vetting procedure of the Legislative Council in April 2025. The Securities and Futures Commission (SFC) and the Exchange announced on March 30, 2026, that the official implementation date for the USM is confirmed as November 16, 2026, with the corresponding Listing Rules amendments published on the same day to take effect simultaneously upon the launch of the USM.

In terms of scope, the USM applies to "prescribed securities," which include listed shares, depositary receipts, stapled securities, warrants issued for fundraising purposes, and rights to subscribe for shares, as well as SFC-authorized collective investment schemes (such as Real Estate Investment Trusts, or "REITs") that can be withdrawn from the Central Clearing and Settlement System ("CCASS"). It does not cover debt securities (including bonds). Issuers incorporated in Hong Kong, the Cayman Islands,

Bermuda, or Mainland China whose prescribed securities are listed are classified as "specified prescribed securities" and are subject to mandatory dematerialization. Given that the vast majority of Hong Kong listed issuers are incorporated in these jurisdictions, almost all listed companies will be required to complete dematerialization within a five-year transition period following the commencement of the USM, officially becoming "participating securities."

Appointment of an Approved Securities Registrar

The most critical compliance requirement under the USM regime is the appointment of an Approved Securities Registrar ("ASR"). Upon the commencement of the USM, all issuers of prescribed securities must appoint an ASR approved by the SFC, which will alter the operational model of existing share registrars. The ASR will maintain the issuer's register of members or holders within its system and interface electronically with CCASS. The reason this requirement demands exceptional attention lies in the rigidity of the consequences: if an issuer fails to complete the appointment of an ASR by November 16, 2026, under the amended Listing Rules, the Exchange may suspend trading in the issuer's prescribed securities. The only recourse would be to obtain an explicit exemption approved by the SFC. For any listed issuer, the market impact and reputational cost of a trading suspension are severe.

Issuers should contact their existing share registrar immediately to confirm whether they have been approved or are currently applying for ASR status. The application and approval processes for ASRs take time. If there is a need to seek an alternative suitable institution, the process should be initiated early rather than leaving this step until the second half of the year.

Amendments to Constitutional Documents

Following the implementation of the USM, an issuer's constitutional documents (including the Memorandum and Articles of Association) and the terms of issue of the relevant securities must be amended accordingly to ensure they do not conflict with the laws and regulations of the USM. The amendments must explicitly permit the issuance, holding, and transfer of securities in uncertificated form, such as by removing clauses that require physical forms of transfer or the issuance of paper share certificates. Existing listed issuers of specified prescribed securities must complete these amendments within one year from the USM effective date (i.e., on or before November 16, 2027). New applicants applying for listing after the launch of the USM must complete them prior to their listing date.

While a one-year window may appear generous, the process of amending the Articles of Association involves a chain of procedures, including review and drafting by legal counsel, dispatch of notices to shareholders, and the passing of resolutions at an Annual General Meeting (AGM) or Extraordinary General Meeting (EGM). It is not a task that can be deferred until the deadline approaches. Issuers are advised to commence legal reviews immediately and arrange to table the amendments alongside other general business at their next upcoming general meeting.

Practical Dematerialization Requirements and Announcement Obligations

Once a prescribed security officially becomes a participating security, the issuer shall not issue any new physical share certificates under any circumstances, including cases involving transfers, share splits or consolidations, or replacements for lost certificates. All newly issued securities (such as bonus shares or exercises of rights issues) must be issued in electronic form. Furthermore, relevant securities held in physical certificate form within the depository of Hong Kong Securities Clearing Company (Nominees) Limited ("HKSCC Nominees") must be completely dematerialized within six months from the date they become participating securities.

Listed issuers should also note that from the effective date of the USM, newly listed securities must be issued in uncertificated form on the date of listing, and new listings in paper form will no longer be permitted.

Regarding disclosure obligations, the Exchange will notify each issuer of its "participation date" and its final deadline (the "specified date") for its prescribed securities to become participating securities. Issuers must announce the participation date and specified date three to six months in advance to allow the market sufficient time to prepare. From the participation date onward, the issuer must cease issuing physical certificates and only issue prescribed securities in uncertificated form.

Special Provisions for New Applicants

For companies planning to apply for listing after the USM takes effect, the regime introduces additional requirements that warrant early attention:

Mandatory Disclosure in Listing Documents: Pursuant to the newly added Paragraph 3 of Appendix G1 to the Listing Rules, a new applicant of specified prescribed securities must clearly disclose the following in its listing document: that the relevant prescribed securities will become participating securities on the listing date; the practical and potential impact of participating in the USM on holders, including actions holders may need to take and the consequences of inaction; contact details for handling USM enquiries; and a hyperlink to the USM dedicated page on the company's website. If a listed issuer subsequently issues subscription warrants or rights pursuant to a rights issue, and its underlying securities are already participating securities at that time, it must ensure that such warrants or rights also become participating securities on or before the listing date. The purpose of these disclosures is to ensure that prospective investors fully understand the practical implications of dematerialization before making an investment decision.

Transitional Exception Arrangements: The regime provides limited flexibility for new applicants facing genuine practical difficulties. Under Rule 28(5) of the Uncertificated Securities Market Rules, within the first year of USM implementation, the Exchange may permit a paper-based listing as an exception if there are sufficient grounds and if a mandatory uncertificated listing on the listing date would unduly delay the proposed listing date. Approved applicants must additionally disclose in their listing document the fact that they have been notified of the exemption by the Exchange, the reasons for being unable to list in uncertificated form, and a comprehensive transition plan and timetable, including written agreements with the ASR and amendments to constitutional documents. Furthermore, the SFC may, pursuant to Rule 32(3) of the Uncertificated Securities Market Rules, exempt a new applicant from complying with the mandatory participation requirement upon application, provided that doing so does not prejudice the interests of the investing public and the public interest. Exempted applicants are similarly required to provide full disclosure in their listing documents.

Mandatory Transition Arrangements for Existing Listed Issuers

The transition of existing listed issuers does not follow a timeline determined by the companies themselves. Instead, it is coordinated and progressed in batches based on a sequence agreed upon by Hong Kong Securities Clearing Company Limited ("HKSCC"), the ASR, and the Exchange to ensure an orderly market transition. The Exchange will provide written notification to each issuer regarding its transition deadline (the "specified date"). Upon receipt of the notification, the issuer must issue an announcement within one business day, and subsequently publish a separate announcement detailing the transition plan, the participation date, and the hyperlink to the USM transition dedicated page on the company's website as soon as the arrangements are finalized.

It is critical to note that the decisions made by the Exchange, HKSCC, and the ASR regarding the transition sequence and the specified date are not subject to review under the Listing Rules. In other words, once the specified date is fixed, the issuer's preparatory work cannot be delayed. If an issuer genuinely needs to change or cancel a specified date, it must submit an application to the relevant institutions or apply for an exemption from the SFC, though approval is not guaranteed.

USM Implementation Timeline

Date	Milestone
April 2025	USM-related subsidiary legislation completes the Legislative Council's negative vetting procedure.
March 30, 2026	The Exchange publishes Listing Rules amendments for USM and IAP; confirms the official USM implementation date.
November 16, 2026	USM officially takes effect; final deadline for appointing an ASR; Listing Rules amendments come into force simultaneously.
November 16, 2027	Deadline for existing issuers to complete amendments to constitutional documents.

November 16, 2031	Final deadline for all specified prescribed securities to complete the transition to full dematerialization.
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II. HKEX Issuer Access Platform (IAP)

Issuer Access is a next-generation, secure online platform established by HKEX for regulatory communications between listed issuers and the Listing Division. The pilot version has been open since the second half of 2025, with phased registration commencing in the second quarter of 2026. HKEX has confirmed that full implementation and launch will take place in 2026.

Upon the launch of Issuer Access, all regulatory matters between issuers and the Listing Division—including routine compliance enquiries, waiver applications, pre-listing review document submissions, size test calculations, and suspension or resumption applications—must be conducted through Issuer Access. The current email-dependent communication model will be discontinued. Crucially, existing electronic forms (e-Forms) currently submitted via the Electronic Submission System ("ESS") will be fully migrated to Issuer Access, and the ESS will cease to accept e-Form submissions from that date.

Key Functions

Issuer Access consolidates regulatory submission workflows that are currently scattered across multiple channels. For case processing, various applications can be submitted directly through the platform with real-time workflow tracking capabilities, allowing issuers to monitor the status of their cases directly and eliminating the need to follow up with the Listing Division via email.

For company profile maintenance, matters currently submitted via e-Forms—including black-out period and dividend notices, board meeting and general meeting dates, changes in directors and senior officers, changes of company secretary and auditors, changes in principal place of business and website addresses, as well as Next Day Disclosure Returns (NDDR) and Monthly Returns (MR)—will be migrated to Issuer Access. The platform features a dashboard displaying pending items and upcoming deadlines, and automatically generates reminders for approaching compliance dates, thereby helping to mitigate regulatory risks arising from oversight.

For the publication of announcements, Issuer Access will interface directly with the ESS for issuers to publish announcements and circulars. The two platforms have distinct yet complementary roles: Issuer Access serves as the primary portal for regulatory and compliance matters, while the ESS continues to function as part of the Electronic Disclosure System ("EDS") for public information dissemination, handling outward publications to the investing public.

Account Setup and Management

According to the Issuer Access User Guide, the corporate registration process involves three steps: first, submit a corporate registration application to the Issuer Access Service Desk. Upon approval by the Exchange, a designated Master Administrator account will be automatically created; second, the Master Administrator creates accounts for other personnel and assigns roles based on functions—the platform offers roles such as "Submitter" and "Approver," and external legal counsel, sponsors, and financial printers can also be authorized as Authorised Representatives with full submission privileges; finally, the issuer should complete and submit the basic corporate profile for the Exchange's approval. Once approved, the corporate account is officially activated. Each user must then complete their individual activation steps, including OTP verification, password setup, and Two-Factor Authentication (2FA) registration, before using the platform.

Regarding account management, listed companies must note a critical provision: under the Issuer Access Terms of Use, all actions performed by authorized users are deemed to be actions of the issuer itself. Whether an action is performed by an internal employee or an external consultant, the legal liability for any non-compliant submission on the platform rests solely with the issuer. Proper configuration of user permissions and regular reviews of the authorized user list are indispensable internal controls. The Exchange has explicitly stipulated that a breach of the Issuer Access Terms of Use or the User Guide will be treated as a breach of the Listing Rules, which may trigger disciplinary proceedings.

Conclusion

Both the USM and Issuer Access will be fully implemented within 2026, imposing substantial compliance responsibilities on all Hong Kong listed issuers. The volume of work involved in these two reforms is considerable, and the time available for preparation is more constrained than it appears.

For the immediate term, management of listed issuers should incorporate the following three matters into their upcoming agendas. Appointment of an ASR is the highest priority. Issuers must immediately confirm their application status with their existing share registrar; reaching the November deadline without an ASR will lead to trading suspension, a consequence that carries severe market ramifications.

Amendments to the Articles of Association, while subject to a one-year buffer period, involve sequential corporate steps. Work should be initiated promptly to ensure sufficient time is reserved to table the amendments at the next upcoming general meeting. Registration on Issuer Access should leverage the currently available pilot version. Teams should familiarize themselves with the system operations ahead of time to ensure that existing compliance submission workflows remain undisturbed once the platform goes live.

If you would like to seek legal service from us regarding the above, please scan the QR code below to contact us.



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