

Subsidiary legislation on uncertificated securities market regime gazetted

Six pieces of subsidiary legislation setting out detailed operational and regulatory matters of the uncertificated securities market (USM) regime were gazetted today (February 14), with a view to enhancing the efficiency and infrastructure of the Hong Kong securities market, as well as providing better investor protection and transparency. A spokesman for the Financial Services and the Treasury Bureau said the implementation of the USM regime would reinforce Hong Kong's competitiveness and status as an international financial centre.

The subsidiary legislation are for the implementation of the USM regime, which is meant to remove the need of using paper documents to evidence and effect transfers of legal title to securities. The six pieces consist of:

- (i) Securities and Futures (Uncertificated Securities Market) Rules;
 - (ii) Securities and Futures (Approved Securities Registrars) Rules;
 - (iii) Securities and Futures (Stock Market Listing) (Amendment) Rules 2025;
 - (iv) Securities and Futures (Open-ended Fund Companies) (Amendment) Rules 2025;
 - (v) Securities and Futures Ordinance (Amendment of Schedule 8) Order 2025;
- and
- (vi) Securities and Futures Ordinance (Amendment of Schedule 5) Notice 2025.

The spokesman said, "In collaboration with the industry, the Government and the Securities and Futures Commission (SFC) have formulated details on the operational and regulatory arrangements for the USM regime and the subsidiary legislation. Extensive market consultations were also conducted by the SFC on the subsidiary legislation, codes and guidelines under the USM regime with consultation conclusions published last July."

The subsidiary legislation will be tabled before the Legislative Council for negative vetting on February 19. Subject to vetting, the legislation will come into operation on a date to be appointed by the Secretary for Financial Services and the Treasury in the form of a Gazette notice.