

## **LE Paper 15 (Sponsors (Principals))**

## **LE Paper 16 (Sponsors (Representatives))**

### **Syllabus (Effective from 30 November 2025)**

For Paper 15, the entire syllabus and all the expected learning outcomes (“ELOs”) are applicable.

For Paper 16, the syllabus below is applicable, except the shaded ELOs indicated in the sections marked with \* below.

#### ***Topic 1: General framework***

- 1 Background to the sponsor regulatory regime
- 2 Going public
- 3 The role of the sponsor in the marketplace
- 4 Legal considerations
- 5\* Licensing and registration requirements
- 6 Applicable regulatory codes and rules
- 7 Related roles
- 8 Securities and Futures Commission (“SFC”)’s powers

#### ***Topic 2: The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the initial public offering (“IPO”) listing process***

- 1 Methods of listing and offering mechanisms
- 2 Specific listing requirements for equity securities
- 3 Secondary listings
- 4 Corporate administration of the listing applicant
- 5\* Specific issues in practice
- 6 The IPO process
- 7\* Other important considerations

#### ***Topic 3: Preparation for an IPO assignment***

- 1\* Corporate administration of a sponsor
- 2\* Preparation for managing an IPO

#### ***Topic 4: Preparation for a listing application***

- 1\* Obtaining assignments and working with third parties
- 2\* Establishing the sponsor role
- 3 Advising the listing applicant
- 4 Conducting due diligence
- 5\* Making a listing application
- 6\* Disclosure and communication

#### ***Topic 5: Due diligence***

- 1 Preparation of the listing document-cum-prospectus
- 2\* Conducting a due diligence exercise
- 3 Meaning of “professional scepticism”
- 4 Verification
- 5\* Use of experts and other third parties
- 6 Management Discussion and Analysis of Financial Information and Condition (“MD&A”)

#### ***Topic 6: After prospectus issuance***

- 1 Assessing the sponsor work
- 2 Compliance advisers
- 3 Case studies
- 4 Integrity and consequences

## **Expected Learning Outcomes**

### ***Topic 1: General framework***

At the end of this Topic, candidates should be able to:

- (a) describe the general background of the sponsor regulatory regime and its relevance to Hong Kong's primary capital market within the global context;
- (b) describe the core regulatory roles and responsibilities of a sponsor and its relationship with the integrity of the Hong Kong market;
- (c) explain the roles and responsibilities of all parties involved in listings, especially for sponsors, underwriters, overall coordinators, other capital market intermediaries, as well as compliance advisers;
- (d) describe the process of underwriting/syndication in a public offering;
- (e) cite the specific laws, regulations, codes and guidelines that have an impact on sponsor work;
- (f) explain the core licensing and registration requirements that apply to all persons engaged in sponsor work;
- (g) explain the core licensing and registration requirements that apply to persons engaged in sponsor work as Principals;
- (h) explain the requirements of the Corporate Finance Adviser Code of Conduct;
- (i) cite the importance of the Listing Rules and the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited;
- (j) describe the powers and regulatory roles of the SFC and The Stock Exchange of Hong Kong Limited ("SEHK").

### ***Topic 2: The Listing Rules and the IPO listing process***

At the end of this Topic, candidates should be able to:

- (a) explain the listing methods for IPOs and the typical offering mechanisms involved;
- (b) explain the basic criteria for initial and secondary listing of securities on the SEHK;
- (c) explain the listing application procedure and the requirements for the content of listing documents;
- (d) explain the requirements imposed on the directors and board of a listed issuer;
- (e) determine the relevance of guidance materials set out in the Guide for New Listing Applicants;

- (f) explain the IPO process;
- (g) explain the key regulatory requirements and considerations for listing applicants in the context of financial reporting, compliance, and ongoing obligations in the IPO process;
- (h) explain other important considerations that affect the listing application process;
- (i) explain the relevance of mechanisms such as allocation, clawback and price stabilization.

### ***Topic 3: Preparation for an IPO assignment***

At the end of this Topic, candidates should be able to:

- (a) determine the resources, systems and internal controls a sponsor is required to have in place to effectively accept an IPO engagement and execute transactions;
- (b) identify the reporting lines that should be established;
- (c) explain the record-keeping obligations of a sponsor;
- (d) explain the usual procedures for vetting proposed new mandates;
- (e) identify the need to work with regulators and other third parties;
- (f) determine the functional role of Principals and Transaction Teams;
- (g) identify the scope of a sponsor's authority as manager of an IPO.

### ***Topic 4: Preparation for a listing application***

At the end of this Topic, candidates should be able to:

- (a) determine the ways a sponsor can obtain an assignment to work on an IPO and the terms required to be included in a sponsor engagement;
- (b) describe the issues in working with multiple sponsors;
- (c) determine the other parties that are normally appointed in connection with an IPO;
- (d) explain the importance of the obligations that a sponsor is required to give to regulators;
- (e) determine how sponsor independence is assessed and why impartiality in giving advice is important;
- (f) explain the concept of a Transaction Team, including its formation and functions;

- (g) determine the factors involved in assessing a listing applicant's suitability, including the special rules for issuers from People's Republic of China (excluding Hong Kong, Macau and Taiwan);
- (h) explain the corporate, environmental and social governance standards expected by Hong Kong Exchanges and Clearing Limited for issuers, along with the associated reporting obligations;
- (i) determine the matters subject to due diligence in the context of accepting a sponsor role and assisting the listing applicant to the listing application stage;
- (j) explain the standards required for the information included in a listing application;
- (k) explain the sponsor's responsibilities as regards disclosure of information and communications with the regulators.

### ***Topic 5: Due diligence***

At the end of this Topic, candidates should be able to:

- (a) explain the key laws and rules that govern the contents of a listing document-cum-prospectus;
- (b) explain the concept of due diligence and justify the importance of undertaking due diligence;
- (c) explain the regulations that govern how a due diligence exercise should be undertaken;
- (d) explain the roles of the listing applicant and third parties in a due diligence exercise;
- (e) explain the important features of planning and managing a proper due diligence exercise;
- (f) explain the requirements of adopting an attitude of professional scepticism in conducting due diligence;
- (g) explain the role of verification in a due diligence exercise and the production of the listing document-cum-prospectus;
- (h) explain the special requirements that apply to the use of experts and other third parties;
- (i) determine the main considerations relevant to preparing the MD&A.

### *Topic 6: After prospectus issuance*

At the end of this Topic, candidates should be able to:

- (a) describe the relevance of integrity and ethics in the marketplace;
- (b) describe the role of the compliance adviser in a listed issuer's continuing compliance;
- (c) explain certain deficiencies in the sponsor work and inadequacies in sponsors' resources, systems and controls identified by the SFC;
- (d) describe the types of enforcement the SFC may undertake in relation to deficient sponsor work;
- (e) describe the importance of integrity when undertaking a sponsor assignment.