

Government announces mechanism for directors of listed companies or listing applicants to apply for exemption from compulsory quarantine arrangement

The Government announced today (May 22) that directors of companies listed on the Stock Exchange of Hong Kong (SEHK) or directors of companies applying for listing on the SEHK (listing applicants) who (i) are on duty travel from the Mainland to Hong Kong or (ii) return from duty travel from the Mainland to Hong Kong and satisfy certain eligibility criteria may apply for exemption from the compulsory quarantine arrangement.

Announcing the exemption arrangement, the Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "We have to safeguard public health while at the same time take into account the need for Hong Kong's economic development. The arrangement will enable directors of Hong Kong-listed companies and listing applicants to perform essential business activities which are in the interest of Hong Kong's economic development, including traveling to the Mainland or Hong Kong to attend shareholders' meetings or regulatory meetings to comply with the obligations under relevant Ordinances or other regulatory instruments, such as the Listing Rules."

The Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C) is in force until June 7, 2020. According to section 4(1)(b) of the Regulation, the Chief Secretary for Administration may designate any person or category of persons for exemption from the compulsory quarantine arrangement if he is satisfied that the person's or persons' travelling is necessary for purposes relating to, among others, business activities in the interest of Hong Kong's economic development.

Pursuant to the above-mentioned provision, the Chief Secretary for Administration has designated the following category of persons for exemption from the compulsory quarantine arrangement:

Directors of companies listed on the SEHK or directors of companies applying for listing on the SEHK who are on duty travel from the Mainland to Hong Kong, or return from duty travel from the Mainland to Hong Kong. The purpose of such travel is recognised as essential to the operation of the listed companies or listing applicants.

During any specified time period, each of the listed companies or listing applicants can only nominate a maximum of two directors for the exemption. The specific duties that are recognised as essential to the operation of the listed companies or listing applicants and hence eligible for exemption are as follows:

- (a) travelling to Hong Kong from the Mainland to attend shareholders' meetings of listed companies held in Hong Kong (including Annual General Meetings, Extraordinary General Meetings and Special General Meetings);
- (b) travelling to Hong Kong from the Mainland to attend hearings held by the SEHK, including listing hearings, disciplinary hearings and review hearings; and
- (c) returning to Hong Kong after travelling to the Mainland for attending shareholders' meetings of Hong Kong-listed companies (including Annual General Meetings, Extraordinary General Meetings and Special General Meetings).

The period of stay in Hong Kong (for directors of listed companies or listing applicants coming from the Mainland to Hong Kong) and in the Mainland (for directors of listed companies returning from the Mainland to Hong Kong) should be kept to the minimum. For eligible directors travelling to Hong Kong from the Mainland, the date of arriving in Hong Kong should not be earlier than the day immediately before the relevant meeting/hearing date, unless constrained by practical circumstances (including transportation). For eligible directors returning to Hong Kong from the Mainland, the date of arriving in Hong Kong should not be later than the day immediately after the completion of the meeting/hearing unless constrained by practical circumstances (including transportation).

The exempted persons will also be subject to certain conditions. For example, an exempted person must only travel to and stay in the area/city where the specified duties are performed, and must take every precautionary measure to ensure personal hygiene and avoid unnecessary social contact. After the persons' arrival in or return to Hong Kong, they will be subject to medical surveillance arranged by the Department of Health for a period of 14 days. The persons will be required to wear masks and check body temperature daily, and report to the Department of Health on any discomfort.

The Financial Services and the Treasury Bureau (FSTB) will process applications with the administrative support of the SEHK. To apply for an exemption, an application form should be completed by the listed company or listing applicant and be returned to the SEHK with relevant supporting documents. The FSTB will issue letters to the exempted persons with the conditions for exemption. Details of the application procedures are available at the SEHK's website (www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Other-Resources/Listed-Issuers/Joint-Statement-with-SFC/Application_Form_for_Exemption_on_Duty_Travel.pdf).

All exempted persons should note that currently travellers to the Mainland would still be subject to the 14-day compulsory quarantine requirement imposed by the Mainland authorities. The Government of the Hong Kong Special Administrative Region is discussing with authorities in the Mainland on mutual recognition of COVID-19 testing results conducted by recognised medical laboratories, with a view to exempting the quarantine requirement for Hong Kong travellers to the Mainland. Details of the

arrangement will be announced when available.