Charltons - Hong Kong Law Newsletter - 27 February 2009

[online version](http://www.charltonslaw.com/sfc-approves-listing-rule-amendments-to-extend-black-out-period-for-annual-results-to-60-days/)

# SFC Approves Listing Rule Amendments To Extend Black Out Period For Annual Results To 60 Days

The SFC has approved amendments to the Main Board and GEM Listing Rules to extend the black out period for directors' dealings prior to the publication of issuers' annual results from one month to 60 days. Under the amended Rules, directors will be prohibited from dealing in an issuer's securities during the period of 60 days prior to the publication of the annual results or, if shorter, the period from the year end to the date of publication of the results.

There will however be no change to the black out periods for half year and other interim periods which will be 30 days. There will also be a new obligation on listed issuers to give the Exchange prior notice of the commencement of any black out period relating to the publication of financial results,

The Rule amendments will come into effect on 1 April 2009 and will replace the original Rule amendments announced on 28 November 2008. Those amendments had proposed prohibiting directors' dealings from the end of the issuer's financial period (whether annual, half-year, quarter or other interim period) until the date of publication of the relevant results.

The text of the Rule amendments will be as set out in the Exchange's news release of 12 February 2009, and is set out below.

## Draft Rule Amendments for Main Board

### Rule A.3 of Appendix 10

3.(a) A director must not deal in any securities of the listed issuer on any day on which its financial results are published and:

1. during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
2. during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C below. In any event, the director must comply with the procedure in rules B.8 and B.9 of this code.

(b) The listed issuer must notify the Exchange in advance of the commencement of each period during which directors are not allowed to deal under rule A.3(a).

*Note: Directors should note that the period during which they are not allowed to deal under rule A.3 will cover any period of delay in the publication of a results announcement.*

### Draft Rule Amendments for GEM

5.56.(a) A director must not deal in any securities of the listed issuer on any day on which its financial results are published and:

1. during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
2. during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in rule 5.67. In any event, the director must comply with the procedure in rules 5.61 and 5.62.

(b) The listed issuer must notify the Exchange in advance of the commencement of each period during which directors are not allowed to deal under rule 5.56(a).

*Note: Directors should note that the period during which they are not allowed to deal under rule 5.56 will cover any period of delay in the publication of a results announcement.*

This newsletter contains a summary only of changes to the Listing Rules reported in the Hong Kong Stock Exchange's news release of 24 February 2009 which can be viewed on its [website](http://www.hkex.com.hk/news/hkexnews/090224news.htm). Specific advice should be sought in relation to any particular situation.

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