

PRESS RELEASE

ASIFMA Publishes Template Cornerstone Investment Agreement for Hong Kong IPOs

12 October 2017, Hong Kong – The Asia Securities Industry & Financial Markets Association ([ASIFMA](#)) today published a template Cornerstone Investment Agreement (CIA) that includes guidelines for use in Hong Kong Initial Public Offerings (IPOs) involving so-called “cornerstone” investors.

ASIFMA's CIA, which was prepared with the assistance of members Kirkland & Ellis and Latham & Watkins, is the latest in a growing body of documentation ASIFMA has drafted to promote the development of Asia's capital markets. Among these are [the guidelines and template for powers of attorney for Hong Kong IPOs](#), which ASIFMA published last year along with standardised secondary block trade agreements for not only [Hong Kong](#), but also [India](#), [Indonesia](#), the [Philippines](#), [Singapore](#) and [Taiwan](#).

By creating standard agreements for common types of capital raising, these documents can help reduce the costs and complexity facing issuers, underwriters and investors and thus improve efficiency in the allocation of vital capital to Asia's growing economies, while also managing risks.

ASIFMA's members recognise the significance of cornerstone placement to Hong Kong IPOs and believe it would therefore be useful to standardise the process and documentation involved once cornerstone investors have been identified. The agreement is annotated to provide flexibility depending on the nature and circumstances of various cornerstone investors. The CIA and the guidelines may also be of benefit to issuers and potential cornerstone investors to help educate themselves on the typical terms and process associated with a cornerstone investment for a Hong Kong IPO.

The CIA can be found on ASIFMA's website [here](#).

For media queries, please contact:

Corliss Ruggles, Head of Communications, ASIFMA

Tel: +852 2537 3029 / +852 9359 6996

Email: cruggles@asifma.org

About ASIFMA

[ASIFMA](#) is an independent, regional trade association with over 100 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets

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through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region. More information about ASIFMA can be found at: www.asifma.org.