

TO: Supervisor of Market Division
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ANNEX 4 - List of specific issues on which feedback is sought

1. Do you agree that investors should be given the option to hold securities in paper form and to rematerialise securities that have been dematerialised? If not, why not? Yes
2. Do you agree that the scripless system should eventually be made compulsory and the paper-based option removed altogether? If not, why not? Yes
3. Do you agree that implementation of a scripless securities market should proceed in phases? If not, why not? Yes
4. Do you agree with the proposed phasing, i.e. dematerialising securities in batches, and dematerialising Hong Kong securities first? If not, why not? Yes
5. Do you have any views on the proposed dematerialisation process and HKSCC Nominees Limited's diminishing role? NO
6. Do you agree with the proposal that the formal register comprise two parts as discussed in paragraphs 49 to 53 of the paper? If not, why not? Yes
7. Do you agree with the proposal to facilitate name-on-register within CCASS? If not, why not? Yes
8. Do you consider that the proposed arrangements for addressing any concerns arising from the removal of the immediate credit arrangement are adequate? If not, why not? Yes
9. Do you think the proposed model provides enough options (in terms of account types) for investors? If not, what other options do you think should be provided and why? Not sure
10. Should broker/bank/custodian nominees in CCASS be allowed to appoint multiple representatives so that their investor-clients can attend and vote at meetings? If not, why not? Yes
11. Should broker/bank/custodian nominees in CCASS be allowed to appoint both proxies and multiple representatives in respect of the same meeting? If not, why not? Yes
12. Do you agree that investors should be required to provide a unique identification number irrespective of whether they obtain their securities by way of a transfer or through an IPO? Yes
13. Do you agree with the proposal to introduce a new Registrar Participant category in CCASS? If not, why not? Yes
14. Do you agree that share registrars who provide scripless related services should be more directly and robustly regulated than they are today? If not, why not? Yes
15. Do you consider that a graduated approach should be taken towards regulating share registrars (i.e. that the level of regulation should vary Yes

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according to the type and range of scripless related services provided), or that a uniform approach should be taken such that a common standard is applied in all cases?

16. Do you have any views on the proposed changes to the IPO process? **NO**
17. Do you agree that the scope of the scripless operational model should extend to all publicly traded securities in Hong Kong (including therefore securities such as derivative warrants and CBBCs)? **Yes**
18. If not, to what extent should the scope be limited, and why? **N/A**
19. What are your views on the costs and benefits of introducing a scripless securities market in Hong Kong? **Good to the market**
20. Regarding the dematerialisation of shares and debentures of overseas companies, do you agree with the proposed approach to focus first on Bermuda, Cayman Islands, Mainland China and UK companies? If not, why not? **yes**

