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From: Daniel Weinberg [mailto:]
Sent: Monday, September 14, 2009 2:42 PM
To: .
Cc: response
Subject: consultation paper

Dear Sir/Madam,

The main issue with the proposed change to the rights issue notice period is that there is reduced time to trade out of the position, in a time where there is likely to be less certainty about the price of these instruments. For example in a rights issue often the borrowing can become very tight. If this is the case and we don't want to be in a position where we are short the rights (a free option) then it doesn't give market participants long to trade out of their position before it goes ex.

In the document the period could be reduced to as low as 2 days. If this is the case it is extremely difficult to trade out and when there is uncertainty about the availability of borrow in the stock and the rate, it may make it extremely illiquid in the options. I would like to see as a minimum 5 business days for trading therefore 8 business days for book closure.

It mentioned that the book closure day would be moved back if the stock is in suspend for typhoon etc. Is there any chance the stock could be in suspend over the ex date? eg two clear days of trading then typhoon hits the day before ex would the book closed date be pushed back?

As a side note rule 13.66 which allows for changes in the book closure date. This was very costly for us this year having companies change the books closed date on the day of ex-dividend. The Fair Value for the calls changes dramatically in the 50/50 calls and can be very costly for market participants. The document proposes 5 days notice for a change in the book closure date.

If you have any further questions regarding our comments please feel free to respond.

Kindest Regards

Daniel Weinberg
Head of Business Development