

VCMCAS

From: ..
Sent: 10 April 2015 16:56
To: response
Subject: Consultation paper on closing auction

Please find my views on the following questions in the following:

Q: Do you support the introduction of an instrument-level VCM based on a dynamic price limit model in Hong Kong? Please give reasons for your view.

A: I do not support it as I believe an efficient market should not have price controls, and VCM will not be able to add hurdles rather than value to the market.

Q: Do you support the introduction of the new CAS model in the Hong Kong securities market? Please give reasons for your view.

A: I don't have a strong opinion on the re-introduction of CAS, but should it be allowed, I'd like to share my views on the following:

Q19: Do you agree that the new CAS model should only be applied to the major index constituent stocks (i.e. Hang Seng Composite LargeCap Index and Hang Seng Composite MidCap Index constituents as well as other Stock Connect Securities for Southbound trading)? Please give reasons for your view.

A. It should apply to ALL securities to avoid confusion and discrimination.

Q20: Do you agree that the new CAS model should be applied to ETF? If yes, which type of ETF should be applied? Please give reasons for your view.

(i) Apply to all ETFs

(ii) Only apply to ETFs with Hong Kong stocks as underlying

Please give reasons for your view.

A: It should be applied to all ETFs as ETFs with HK stock underlyings are only a small part of the existing ETF market.

Q22: Do you agree that the new CAS model should exclude structured products, equity warrants and debt securities? Please give reasons for your view.

A: Yes I agree.

Please let me know if you have any questions or concerns.

Regards,