



Hong Kong Investment Funds Association

(company incorporated with limited liability 有限責任公司)

May 27, 2016

Corporate Communications Department
Hong Kong Exchanges and Clearing Limited
12th Floor, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Dear Sirs,

**Re: Consultation Paper on Proposal for Revision of the Stock Option Position
Limit Model**

On behalf of the Hong Kong Investment Funds Association (Appendix 1 for the backgrounder), I wish to express our full support to the proposals outlined in the Consultation Paper ("CP").

The current stock option position limit regime has not moved in tandem with market developments and has not been able to cater to market needs. To stay vibrant, competitive and relevant to investors, it is imperative that the regime be revamped. The proposals, which include the introduction of a three-tier framework and a review mechanism, are pragmatic, conducive to operation, and provide sufficient flexibility to accommodate market developments.

We believe that the revisions should be implemented as soon as practicable; and we look forward to having the opportunity to working closely with the HKEx to ensure its smooth rollout.