

Submitted via Qualtrics

Company/Organisation view

Question 1

Do you agree that the subscription and trading of SPAC securities prior to a De-SPAC Transaction should be limited to Professional Investors only (see paragraph 149 of the Consultation Paper)?

Yes

Please give reasons for your views.

Prior to the De-SPAC Transaction, the SPAC is a cash company with uncertain prospects and trading liquidity, leading to high dealing risks which are not suitable for retail investors.

Question 2

Do you agree with the measures proposed in paragraphs 151 to 159 of the Consultation Paper to ensure SPAC's securities are not marketed to and traded by the public in Hong Kong (excluding Professional Investors)?

No

Please give reasons for your views.

(i) Para 151. As there are individual professional investors and to encourage trading, the board lot size should be lower, for example HK\$100,000.

(ii) Para 153. Exchange Participants already have client suitability assessment obligations hence there may not be a need to create a separate category of SPAC Exchange Participants. A separate approval process and class, may lead to higher operating expenses and may be disadvantages to smaller participants and creates an imbalance battlefield.

Question 3a

Do you consider it appropriate for SPAC Shares and SPAC Warrants to be permitted to trade separately from the date of initial listing to a De-SPAC Transaction?

Yes

Please give reasons for your views.

There is no advantage or benefit to allow for trading of SPAC unit for a short while before the separate trading of the SPAC shares and SPAC warrants.

Question 3b

As your answer to question 3a is "No", do you have any alternative suggestions?

Please set out any alternative suggestions below.

Question 4a

Would either Option 1 (as set out in paragraph 170 of the Consultation Paper) or Option 2 as set out in paragraph 171 to 174 of the Consultation Paper) be adequate to mitigate the risks of extraordinary volatility in SPAC Warrants and a disorderly market?

Option 2

Please give reasons for your views. Please provide further technical details if you suggest a different option.

As investors are PI, they should be aware of the volatility and risks involved. Option 1 also discourages trading as compared to Option 2 and reduce attractiveness of SPAC as a product.

Question 4b

Do you have any other suggestions to address the risks regarding trading arrangements we set out in the Consultation Paper?

Yes

Please give any suggestions below:

As investors are PI, they should be aware of the volatility and risks involved. Option 1 also discourages trading as compared to Option 2 and reduce attractiveness of SPAC as a product.

Question 5

Do you agree that, at its initial offering, a SPAC must distribute each of SPAC Shares and SPAC Warrants to a minimum of 75 Professional Investors in total (of either type) of which 30 must be Institutional Professional Investors?

Yes

Please give reasons for your views.

Agree with the proposal of a minimum of 75 PIs. However, the required number of Institutional Professional Investors may be too high; 15 to 25 should be a more feasible number to achieve. For reference, traditional IPO requires at least 300 shareholders, of which placing tranche requires at least 100 placees which are normally PIs.

Question 6

Do you agree that, at its initial offering, a SPAC must distribute at least 75% of each

SPAC Shares and SPAC Warrants to Institutional Professional Investors?

No

Please give reasons for your views.

This will lead to a high concentration and affects liquidity, and may adversely impact the appetite of Institutional Professional Investors for the securities. Too many restrictions will negatively affect the feasibility of listing, and hence the attractiveness of SPAC as a product. The restrictions to PIs only and minimum spread of shareholders should be sufficient to address the regulators' concerns. If a mandatory percentage is to be set, 25% to 30% is more reasonable.

Question 7

Do you agree that not more than 50% of the securities in public hands at the time of a SPAC's listing should be beneficially owned by the three largest public shareholders?

Yes

Please give reasons for your views.

To avoid over concentration.

Question 8

Do you agree that at least 25% of the SPAC's total number of issued shares and at least 25% of the SPAC's total number of issued warrants must be held by the public at listing and on an ongoing basis?

Yes

Please give reasons for your views.

Yes subject to below.

Unless the proposal allows allocation to connected persons, all the SPAC units will be sold at listing to PIs, which should all be public, rendering this requirement redundant at listing. Accordingly, the requirement can be changed to just govern the ongoing basis.

Question 9a

Do you agree that the shareholder distribution proposals set out in paragraphs 181 and 182 of the Consultation Paper will provide sufficient liquidity to ensure an open market in the securities of a SPAC prior to completion of a De-SPAC Transaction?

No

Please give reasons for your views.

Since the minimum 75% requirement as set out in para 181 negatively impacts establishment of an open and liquid market.

Question 9b

Are there other measures that the Exchange should use to help ensure an open and liquid market in SPAC securities?

No

Please set out any suggestions for other measures below.

Since the minimum 75% requirement as set out in para 181 negatively impacts establishment of an open and liquid market.

Question 10

Do you agree that, due to the imposition of restricted marketing, a SPAC should not have to meet the requirements set out in paragraph 184 of the Consultation Paper regarding public interest, transferability (save for transferability between Professional Investors) and allocation to the public?

Yes

Please give reasons for your views.

As retail investors will not be participating.

Question 11

Do you agree that SPACs should be required to issue their SPAC Shares at an issue price of HK\$10 or above?

Yes

Please give reasons for your views.

As this is a product for PIs only, the proposal per share is reasonable.

Question 12

Do you agree that the funds expected to be raised by a SPAC from its initial offering must be at least HK\$1 billion?

Yes

Please give reasons for your views.

As this is in line with overseas practice and the expectation that the De-SPAC Targets are quality business which valuation will not be low.

Question 13

Do you agree with the application of existing requirements relating to warrants with the proposed modifications set out in paragraph 202 of the Consultation Paper?

Yes

Please give reasons for your views.

As they should not receive preferential treatment over warrants for non-SPAC listed companies.

Question 14

Do you agree that Promoter Warrants and SPAC Warrants should be exercisable only after the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

As the SPAC Warrants are sweetener for a successful De-SPAC Transaction.

Question 15a

Do you agree that a SPAC must not issue Promoter Warrants at less than fair value?

No

Please give reasons for your views.

As this will decentivise would be SPAC Promoter(s).

Question 15b

Do you agree that a SPAC must not issue Promoter Warrants that contain more favourable terms than that of SPAC Warrants?

No

Please give reasons for your views.

As this will decentivise would be SPAC Promoter(s).

Question 16

Do you agree that the Exchange must be satisfied as to the character, experience and integrity of a SPAC Promoter and that each SPAC Promoter should be capable of meeting a standard of competence commensurate with their position?

Yes

Please give reasons for your views.

As the sustainability of the SPAC hinges on the experience of the SPAC Promoter(s).

Question 17a

Do you agree that the Exchange should publish guidance setting out the information that a SPAC should provide to the Exchange on each of its SPAC Promoter's character, experience and integrity (and disclose this information in the Listing Document it publishes for its initial offering), including the information set out in Box 1 of the Consultation Paper?

Yes

Please give reasons for your views.

As it is essential for potential investors to understand the abilities of the SPAC Promoter(s) to access likelihood of profitable De-SPAC Transaction.

Question 17b

Is there additional information that should be provided or information that should not be required regarding each SPAC Promoter's character, experience and integrity?

Yes

Please provide the details of any such information below.

As it is essential for potential investors to understand the abilities of the SPAC Promoter(s) to access likelihood of profitable De-SPAC Transaction.

Question 18

Do you agree that the Exchange, for the purpose of determining the suitability of a SPAC Promoter, should view favourably those that meet the criteria set out in paragraph 216 of the Consultation Paper?

No

Please give reasons for your views.

As the position itself is not representative of the success of the fund or business being managed. The success of the fund or business may be a collective effort of a management team and not the person. The qualifications of the SPAC Promoter(s) should be considered as a whole. As investors are PIs, they should be able to judge the ability and integrity of the SPAC Promoter(s) and base their investment decisions accordingly.

Question 19a

Do you agree that at least one SPAC Promoter must be a firm that holds a Type 6 (advising on corporate finance) and/or a Type 9 (asset management) license issued by

the SFC?

No

Please give reasons for your views.

As this will limit the number of SPAC Promoter(s) and may adversely affect qualified SPAC Promoter(s) interest in promoting a SPAC owing to, among other things, issues in partnering with a third party in managing a listed vehicle and diluted return. The quality of Type 6 or Type 9 firm differs and their involvement do not automatically ensure quality of the management and alignment of interest with the investors. As investors are PIs, they should be able to judge the ability and integrity of the SPAC Promoter(s) and base their investment decisions accordingly.

Question 19b

Do you agree that the SFC licensed SPAC Promoter must hold at least 10% of the Promoter Shares?

Please give reasons for your views.

Question 20a

Do you agree that, in the event of a material change in the SPAC Promoter or the suitability and/or eligibility of a SPAC Promoter, such a material change must be approved by a special resolution of shareholders at a general meeting (on which the SPAC Promoters and their respective close associates must abstain from voting)?

Yes

Please give reasons for your views.

As the investors invest based on their perceived ability and integrity of the SPAC Promoter(s).

Question 20b

Should the trading of a SPAC's securities be suspended and the SPAC return the funds it raised from its initial offering to its shareholders, liquidate and de-list (in accordance with the process set out in paragraphs 435 and 436 of the Consultation Paper) if it fails to obtain the requisite shareholder approval within one month of the material change?

Yes

Please give reasons for your views.

As the investors invest based on their perceived ability and integrity of the SPAC Promoter(s).

Question 21

Do you agree that the majority of directors on the board of a SPAC must be officers (as defined under the SFO) of the SPAC Promoters (both licensed and non-licensed) representing the respective SPAC Promoters who nominate them?

Yes

Please give reasons for your views.

As the SPAC Promoter(s) should drive the direction of the SPAC.

Question 22

Do you agree that 100% of the gross proceeds of a SPAC's initial offering must be held in a ring-fenced trust account located in Hong Kong?

No

Please give reasons for your views.

No. Part of the proceeds should be allowed to fund the SPAC's operations. If not, the investment required from the SPAC Promoter(s) may decentivise them as the downside increased.

Question 23

Do you agree that the trust account must be operated by a trustee/custodian whose qualifications and obligations should be consistent with the requirements set out in Chapter 4 of the Code on Unit Trusts and Mutual Funds?

Please give reasons for your views.

Question 24

Do you agree that the gross proceeds of the SPAC's initial offering must be held in the form of cash or cash equivalents such as bank deposits or short-term securities issued by governments with a minimum credit rating of (a) A-1 by S&P; (b) P-1 by Moody's Investors Service; (c) F1 by Fitch Ratings; or (d) an equivalent rating by a credit rating agency acceptable to the Exchange?

Yes

Please give reasons for your views.

To safeguard investors' interest.

Question 25

Do you agree that the gross proceeds of the SPAC's initial offering held in trust (including interest accrued on those funds) must not be released other than in the circumstances described in paragraph 231 of the Consultation Paper?

Yes

Please give reasons for your views.

To safeguard investors' interest.

Question 26

Do you agree that only the SPAC Promoter should be able to beneficially hold Promoter Shares and Promoter Warrants at listing and thereafter?

Yes

Please give reasons for your views.

Although can consider exemption if these securities are being paid to the sponsor(s) and underwriter(s) as fees of the De-SPAC Transaction.

Question 27

Do you agree with the restrictions on the listing and transfer of Promoter Shares and Promoter Warrants set out in paragraphs 241 to 242 of the Consultation Paper?

Yes

Please give reasons for your views.

As the SPAC Promoter(s) should hold its/their interests in the SPAC until expiration of moratorium.

Question 28

Do you agree with our proposal to prohibit a SPAC Promoter (including its directors and employees), SPAC directors and SPAC employees, and their respective close associates, from dealing in the SPAC's securities prior to the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

As any dealing by them may involve insider information and conflict of interest matters.

Question 29

Do you agree that the Exchange should apply its existing trading halt and suspension policy to SPACs (see paragraphs 249 to 251 of the Consultation Paper)?

Yes

Please give reasons for your views.

In order to protect other investors.

Question 30

Do you agree that the Exchange should apply new listing requirements to a De-SPAC Transaction as set out in paragraphs 259 to 281 of the Consultation Paper?

Yes

Please give reasons for your views.

Or else SPAC provides a route for circumvention of RTO rules.

Question 31

Do you agree that investment companies (as defined by Chapter 21 of the Listing Rules) should not be eligible De-SPAC Targets?

Yes

Please give reasons for your views.

As SPAC should be used for the acquisition of controlling stake of a business for development and growth and not to be run as investment in minority interests looking for capital appreciation.

Question 32

Do you agree that the fair market value of a De-SPAC Target should represent at least 80% of all the funds raised by the SPAC from its initial offering (prior to any redemptions)?

Yes

Please give reasons for your views.

To ensure that the target represents a meaningful size as compared to the SPAC for investors' protection.

Question 33

Should the Exchange impose a requirement on the amount of funds raised by a SPAC (funds raised from the SPAC's initial offering plus PIPE investments, less redemptions) that the SPAC must use for the purposes of a De-SPAC Transaction?

No

Please give reasons for your views.

As this will substantially reduce deal structure flexibility which is an attraction of SPAC. This may also increase the difficulty in solicitation of targets as owners of good quality targets may not want to sell any interest at the De-SPAC Transaction.

Question 34

Should a SPAC be required to use at least 80% of the net proceeds it raises (i.e. funds raised from the SPAC's initial offering plus PIPE investments, less redemptions) to fund a De-SPAC Transaction?

Please give reasons for your views.

Question 35

Do you agree that the Exchange should mandate that a SPAC obtain funds from outside independent PIPE investors for the purpose of completing a De-SPAC Transaction?

No

Please give reasons for your views.

The De-SPAC Transaction requires the approval of a majority of the shareholders of the SPAC and only those that vote against can redeem their shares. All shareholders of the SPAC are PIs. As they cannot redeem their investment if they vote for the transaction, the incumbent investors should be satisfied that the valuation of the Successor Company is fair and reasonable when voting for the transaction, hence safeguarding against over valuation. The requirement of the PIPE is equivalent to the requirement of fundraising of an IPO. Accordingly, the De-SPAC Target has to go through the same processes as an IPO, from submitting application to conducting an offering, erasing any advantage of SPAC versus IPO. The mandated fundraising will also dilute the interest of the SPAC Promoter(s) and initial investors, making promoting/investing in SPAC as a product less attractive for them. A PIPE should be a decision of the SPAC and De-SPAC Target in the case of funding requirement and meeting shareholder spread requirement and should not be mandatory.

Question 36

Do you agree that the Exchange should mandate that this outside independent PIPE investment must constitute at least 25% of the expected market capitalisation of the Successor Company with a lower percentage of between 15% and 25% being acceptable if the Successor Company is expected to have a market capitalisation at listing of over HK\$1.5 billion?

Please give reasons for your views.

Question 37

Do you agree that at least one independent PIPE investor in a De-SPAC Transaction must be an asset management firm with assets under management of at least HK\$1 billion or a fund of a fund size of at least HK\$1 billion and that its investment must result in it beneficially owning at least 5% of the issued shares of the Successor Company as at the date of the Successor Company's listing?

Please give reasons for your views.

Question 38

Do you agree with the application of IFA requirements to determine the independence of outside PIPE investors?

Please give reasons for your views.

Question 39

Do you prefer that the Exchange impose a cap on the maximum dilution possible from the conversion of Promoter Shares or exercise of warrants issued by a SPAC?

No

Please give reasons for your views.

As SPAC investors are PIs and would factor potential dilution into their investment decision. If the terms proposed by the SPAC Promoter(s) are considered too dilutive, the investors may not invest and the SPAC cannot raise sufficient funds and/or the required spread of shareholders to be listed.

Question 40

Do you agree with the anti-dilution mechanisms proposed in paragraph 311 of the Consultation Paper?

Please give reasons for your views.

Question 41

Do you agree that the Exchange should be willing to accept requests from a SPAC to issue additional Promoter Shares if the conditions set out in paragraph 312 of the Consultation Paper are met?

Please give reasons for your views.

Question 42

Do you agree that any anti-dilution rights granted to a SPAC Promoter should not result in them holding more than the number of Promoter Shares that they held at the time of the SPAC's initial offering?

Yes

Please give reasons for your views.

As it is market practise that anti-dilution right only protects the maintaining of the same level of shareholding.

Question 43

Do you agree that a De-SPAC Transaction must be made conditional on approval by the SPAC's shareholders at a general meeting as set out in paragraph 320 of the Consultation Paper?

Yes

Please give reasons for your views.

As it should be the investors to decide on the merit of the transaction.

Question 44

Do you agree that a shareholder and its close associates must abstain from voting at the relevant general meeting on the relevant resolution(s) to approve a De-SPAC Transaction if such a shareholder has a material interest in the transaction as set out in paragraph 321 of the Consultation Paper?

Yes

Please give reasons for your views.

As they have a conflict of interest.

Question 45

Do you agree that the terms of any outside investment obtained for the purpose of completing a De-SPAC Transaction must be included in the relevant resolution(s) that are the subject of the shareholders vote at the general meeting?

Yes

Please give reasons for your views.

As in this case outside investment is part and partial of the transaction and also since the investors shareholding will be diluted.

Question 46

Do you agree that the Exchange should apply its connected transaction Rules (including the additional requirements set out in paragraph 334) to De-SPAC Transactions involving targets connected to the SPAC; the SPAC Promoter; the SPAC's trustee/custodian; any of the SPAC directors; or an associate of any of these parties as set out in paragraphs 327 to 334 of the Consultation Paper?

Yes

Please give reasons for your views.

To safeguard the interest of the independent investors.

Question 47

Do you agree that SPAC shareholders should only be able to redeem SPAC Shares they vote against one of the matters set out in paragraph 352 of the Consultation Paper?

Yes

Please give reasons for your views.

In order to ensure the fairness of the terms of the De-SPAC Transaction and uphold quality of SPACs.

Question 48

Do you agree a SPAC should be required to provide holders of its shares with the opportunity to elect to redeem all or part of the shares they hold (for full compensation of the price at which such shares were issued at the SPAC's initial offering plus accrued interest) in the three scenarios set out in paragraph 352 of the Consultation Paper?

Yes

Please give reasons for your views.

As the ability and integrity of the SPAC Promoter(s) was integral to their investment.

Question 49

Do you agree a SPAC should be prohibited from limiting the amount of shares a SPAC shareholder (alone or together with their close associates) may redeem?

Yes

Please give reasons for your views.

As only shareholders voting against a De-SPAC Transaction can redeem, there is no reason to disallow full redemption.

Question 50

Do you agree with the proposed redemption procedure described in paragraphs 355 to 362 of the Consultation Paper?

Yes

Please give reasons for your views.

As the steps and timeframe are reasonable.

Question 51

Do you agree that SPACs should be required to comply with existing requirements with regards to forward looking statements (see paragraphs 371 and 372 of the Consultation Paper) included in a Listing Document produced for a De-SPAC Transaction?

Yes

Please give reasons for your views.

So as to ensure no misleading information is given to investors.

Question 52

Do you agree that a Successor Company must ensure that its shares are held by at least 100 shareholders (rather than the 300 shareholders normally required) to ensure an adequate spread of holders in its shares?

No

Please give reasons for your views.

As listed companies open to initial trading by the public should have 300 shareholders. However, a transitional waiver can be considered, for example a minimum of 100 shareholders immediately after the De-SPAC Transaction and minimum of 300 within 6 or 12 months after the

De-SPAC Transaction.

Question 53

Do you agree that the Successor Company must meet the current requirements that (a) at least 25% of its total number of issued shares are at all times held by the public and (b) not more than 50% of its securities in public hands are beneficially owned by the three largest public shareholders, as at the date of the Successor Company's listing?

Yes

Please give reasons for your views.

So as to ensure liquidity and no concentration of shares.

Question 54

Are the shareholder distribution proposals set out in paragraphs 380 and 382 of the Consultation Paper sufficient to ensure an open market in the securities of a Successor Company or are there other measures that the Exchange should use to help ensure an open market?

Yes

Please give reasons for your views.

Please see responses to questions 52 and 53.

Question 55

Do you agree that SPAC Promoters should be subject to a restriction on the disposal of their holdings in the Successor Company after the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

As their reward should only be given after the success of the De-SPAC Transaction is ascertained.

Question 56a

Do you agree that the Exchange should impose a lock-up on disposals, by the SPAC Promoter, of its holdings in the Successor Company during the period ending 12 months from the date of the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

As this is in-line with overseas practise.

Question 56b

Do you agree that Promoter Warrants should not be exercisable during the period ending 12 months from the date of the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

As this is in-line with overseas practise.

Question 57

Do you agree that the controlling shareholders of a Successor Company should be subject to a restriction on the disposal of their shareholdings in the Successor Company after the De-SPAC Transaction?

Yes

Please give reasons for your views.

So as to be the same as an IPO, and the controlling shareholder(s), presumably also the controlling shareholders of the De-SPAC Target, have a chance to decide to “cash in” at the time of the De-SPAC Transaction.

Question 58

Do you agree that these restrictions should follow the current requirements of the Listing Rules on the disposal of shares by controlling shareholders following a new listing (see paragraph 394 of the Consultation Paper)?

Yes

Please give reasons for your views.

As this is the same requirements under an IPO.

Question 59

Do you agree that the Takeovers Code should apply to a SPAC prior to the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

As the independent investors should be provided a chance to exit if the control of the listed entity changed.

Question 60

Do you agree that the Takeovers Executive should normally waive the application of Rule 26.1 of the Takeovers Code in relation to a De-SPAC Transaction, the completion of which would result in the owner of the De-SPAC Target obtaining 30% or more of the voting rights in a Successor Company, subject to the exceptions and conditions set out in paragraphs 411 to 415 of the Consultation Paper?

Yes

Please give reasons for your views.

As the De-SPAC Transaction is subject to acceptance by a majority of the SPAC investors already, and if offer is required it will nullify the proposal that accepting shareholders cannot redeem their shares.

Question 61

Do you agree that the Exchange should set a time limit of 24 months for the publication of a De-SPAC Announcement and 36 months for the completion of a De-SPAC Transaction (see paragraph 423 of the Consultation Paper)?

Yes

Please give reasons for your views.

As this should provide sufficient time for the SPAC Promoter(s) to identify targets and complete the transaction.

Question 62

Do you agree that the Exchange should suspend a SPAC's listing if it fails to meet either the De-SPAC Announcement Deadline or the De-SPAC Transaction Deadline (see paragraphs 424 and 425 of the Consultation Paper)?

Yes

Please give reasons for your views.

As the SPAC would have lost its purpose and shareholders will be redeeming their interest.

Question 63

Do you agree that a SPAC should be able to make a request to the Exchange for an extension of either a De-SPAC Announcement Deadline or a De-SPAC Transaction Deadline if it has obtained the approval of its shareholders for the extension at a general meeting (on which the SPAC Promoters and their respective close associates must abstain from voting) (see paragraphs 426 and 427 of the Consultation Paper)?

Yes

Please give reasons for your views.

As the shareholders should have a role to play in this aspect.

Question 64

Do you agree that, if a SPAC fails to (a) announce / complete a De-SPAC Transaction within the applicable deadlines (including any extensions granted to those deadlines) (see paragraphs 423 to 428 of the Consultation Paper); or (b) obtain the requisite shareholder approval for a material change in SPAC Promoters (see paragraphs 218 and 219 of the Consultation Paper) within one month of the material change, the Exchange will suspend the trading of a SPAC's shares and the SPAC must, within one month of such suspension return to its shareholders (excluding holders of the Promoter Shares) 100% of the funds it raised from its initial offering, on a pro rata basis, plus accrued interest?

Yes

Please give reasons for your views.

As the timeframe is reasonable.

Question 65

Do you agree that (a) a SPAC must liquidate after returning its funds to its shareholders and (b) the Exchange should automatically cancel the listing of a SPAC upon completion of its liquidation?

Yes

Please give reasons for your views.

As funds should be returned to investors as soon as practicable.

Question 66

Do you agree that SPACs, due to their nature, should be exempt from the requirements set out in paragraph 437 of the Consultation Paper?

Yes

Please give reasons for your views.

As the SPAC will not have any existing business and operations.

Question 67

Do you agree with our proposal to require that a listing application for or on behalf of a SPAC be submitted no earlier than one month (rather than two months ordinarily required) after the date of the IPO Sponsor's formal appointment?

Yes

Please give reasons for your views.

As the timeframe is sufficient for due diligence before submission of listing application.

Question 68

Should the Exchange exempt SPACs from any Listing Rule disclosure requirement prior to a De-SPAC Transaction, or modify those requirements for SPACs, on the basis that the SPAC does not have any business operations during that period?

No

Please give reasons for your views.

As although SPAC has no business, it should still have to at least report on its corporate governance.