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23 September 2016

Dear Sirs

**Re: Joint Consultation Paper on Proposed Enhancements to the Exchange's  
Decision-Making and Governance Structure for Listing Regulation**

Thank you for the opportunity to comment on this consultation paper. Fidelity International is a global institutional investor with over US\$250 billion in assets under management and is an active investor in the Hong Kong market.

We support the objectives of the paper to create a more efficient listing regulatory structure and promote coordination and cooperation between the Securities and Futures Commission (SFC) and the Hong Kong Stock Exchange (HKEx). The proposals allow Hong Kong to continue to draw on the diverse expertise of members of the Listing Committee whilst improving transparency and quality of key listing decisions. Crucially, the new framework will allow the SFC the opportunity to input earlier and more directly into the listing process to achieve consensus rather than having to rely on the blunt instrument of a veto. Over the long term, more effective listing regulation will result in a better quality market and reduce the reliance by investors on post-listing enforcement.

Nevertheless, these proposals only mitigate – and do not address – the underlying issue, being the conflict inherent in the commercial and regulatory responsibilities of a monopoly exchange operator. We believe Hong Kong's natural evolution is towards the regulatory model found in the other global financial centres of the United States and the United Kingdom, where listings and listed companies are regulated by the Securities and Exchange



Commission and the UK Listing Authority under the Financial Conduct Authority respectively. These proposals are a sensible compromise in the context of Hong Kong's current regulatory regime and market development yet should only be regarded as a starting point for more comprehensive reform in the future.

We believe that a strong regulatory regime which emphasizes investor protection and quality over quantity of transactions is entirely consistent with long term market development and we share the view expressed by others that there is no conflict between these two objectives. We are therefore pleased to offer our support for the proposals outlined in the joint consultation paper.

Yours faithfully

Jenn-Hui Tan  
Director of Corporate Finance