

Dear Sir/Madam,

I am writing to oppose the joint consultation paper. It is because there is no reason to change. The proposed structures are a drastic change to the existing listing regulatory regime of Hong Kong and will shake the foundation of our system upon which our market success has relied. It is not a fine-tuning of the existing structure.

It was argued that the proposed structures do not give extra power to the SFC as it has always own veto power over LC's decisions. Nobody disputes the veto power of SFC. However, there is a marked difference between veto power and absolute power which SFC would have under the new structure. At present, decisions by the LC, be it about IPO applications or Listing Rules, are made after thorough discussion by seasoned market practitioners. Unless there is a compelling reason, the veto power cannot be exercised indiscriminately, and the basis for exercising such power must be well-substantiated. Under the new structures however, the LC is bypassed (at most offering their non-binding views), and the LRC and LPC will make final decisions based on much narrower perspectives, without the valuable and active input by a group of market practitioners of a diverse background. The whole decision-making dynamics are altered. It is worrisome that such important decision making powers would be concentrated in such a few hands without proper checks-and-balances.

I object to the proposals in that they give SFC all-encompassing control over regulatory and listing matters, with power concentrated in a few hands without proper checks and balances; they are detrimental to market development, and would lead Hong Kong back to a merit-based regime where decisions are made in a small-circle without valuable market input. I worry that the regulator-mindset would stifle the market if the proposal is enacted.

Collectively, these will harm Hong Kong's position as an international financial centre. Therefore, I propose that the current three-tier regulatory structure be continued and that the current proposals are not necessary, will not enhance the regulatory regime and will move our market backward and not forward. The current regime has worked well for the past and there is no reason to change it in particular, to a new regime that may harm the position of Hong Kong as an international financial centre.

Yours sincerely,