Dear Sirs,

Joint Consultation Paper on Proposed enhancements to the Stock Exchange's Decision Making and Governance Structure for Listing Regulation

I refer to the captioned joint consultation paper and express my utmost disappointment about all the proposals in that paper, as it is premature to reform the existing regime by creating new decision-making and governance structure for the Exchange for listing regulation at this stage.

I would draw your attention to the key downsides of those proposals as follows:

1.   This will lead to fundamental change from the effective and efficient practitioner-based regulatory regime to SFC-led regulatory regime;

2.   Such fundamental change will involve substantial increase in control over formulating of listing policy and Listing Rules and determination of suitability of IPO applications by SFC and this results in derogation of the existing check and balance and from the risk control perspective, this is very unsatisfactory;

3.   More delay in processing IPO applications is expected, as there may be a tendency for the listing department of the Stock Exchange to deem more IPO applications to be complicated cases for deliberation by LRC and more entities will choose other financial centres to launch their listing applications;

4.   The listing division of the Exchange will follow the direction imposed by SFC without giving its own independent judgment, as the wages of senior executives in listing department of the Exchange will be determined by LPC;

5.   The marketing development will be overlooked as it is not the primary focus of most regulators in the world but the market development is crucial for competitiveness and success of a stock market; and

6.   The more popular disclosure based system will gradually be phased out, as the merits based system will likely be promulgated by the SFC led regulatory regime eventually.

As such, would SFC and the Stock Exchange kindly consider seriously putting that paper on the shelf permanently now.

Thank you for your attention.

Yours faithfully,