

Letter to the SFC and exchange: joint consultation by the Securities and Futures Commission ("SFC") and the Stock Exchange of Hong Kong Limited ("Exchange") on the Proposed Enhancements to the Exchange's Decision-Making and Governing Structure for Listing Regulation ("proposals" or "proposed structures" ) as contained in the joint consultation paper dated June 2016.

We are strongly against the proposed changes. This is because:

- The additional committees being proposed are a toothless distraction that will come under the effective control of the SFC – they seek to disguise a power grab and would only add additional layers of unaccountable bureaucracy leading to greater inefficiency.
- The proposals would remove the current front line state of the art industry experience and practical common sense judgement which work to balance the role of the SFC. There is no substantive evidence, or logical basis, for these proposed changes. They threaten to destroy and destabilise a system which already works well, with no apparent upside.
- Changing the system of listing will be most damaging for local Hong Kong companies and investors, and will imperil Hong Kong's economic growth and the future of the city as a global financial centre.
- The only apparent beneficiary of the proposed changes is the SFC itself, which seeks to gain complete power over the listing process, by removing the involvement of almost all other professionals and experts who can contribute to the continuing success of Hong Kong and its Stock Exchange.

Submitted by