
From:
Sent: 17, November, 2016 2:09 PM
To: Listing Regulation
Cc:
Subject: Re: Consultation Paper on Proposed Enhancements to the Exchange's Decision-Making and Governance Structure for Listing Regulation
Attachments: Submission-SFCEExchange16112016.pdf

Dear Sirs,

We, Hang Seng Investment Management Limited, attach a scanned copy of the submission with respect to our views on the joint consultation by the Securities and Futures Commission and the Stock Exchange of Hong Kong Limited entitled "Proposed Enhancements to the Stock Exchange of Hong Kong Limited's Decision-Making and Governance Structure For Listing Regulation" dated June 2016. The hard copy of the submission has been delivered to you by post.

Thanks.

Kind regards,

Lawrence Hui
Hang Seng Investment Management Limited

***The Asset - Best Bank - Domestic (Hong Kong) 2015**

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16 November 2016

By post and email:
ListingRegulation@sfc.hk

Corporate Finance Division
Securities and Futures Commission
35/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

Dear Sirs,

Joint Consultation Paper on Proposed Enhancements to the Stock Exchange of Hong Kong Limited's Decision-Making and Governance Structure for Listing Regulation

We, Hang Seng Investment Management Ltd., are writing to provide our views on the joint consultation by the Securities and Futures Commission ("SFC") and the Stock Exchange of Hong Kong Limited (the "Exchange") entitled "Proposed Enhancements to the Stock Exchange of Hong Kong Limited's Decision-Making and Governance Structure For Listing Regulation" dated June 2016 ("**Consultation Paper**").

We note that the Consultation Paper aims to enhance:

- 1 Achieve, through the Listing Policy Committee, closer coordination and cooperation between the SFC and the Exchange on listing policy formation and provide the SFC with earlier and more direct input on listing policy matters and listing regulation.
- 2 Streamline, through the Listing Regulatory Committee, the processes for important or difficult listing decisions that raise suitability issues or have broader policy implications. This would allow the SFC to have earlier and more direct input on these decisions and to collaborate with the Exchange on decision-making.
- 3 Simplify the process for initial listing applications so that they can be vetted and approved more efficiently; as part of the proposals, the SFC will no longer as a matter of routine issue a separate set of comments on draft Initial Public Offering ("IPO") prospectuses under the dual filing regime.
- 4 Establish clearer accountability for decision-making in listing regulation and for oversight of the administration of the Listing Rules.

We applaud the objectives put forwarded by SFC and the Stock Exchange. We acknowledge the good intentions behind the proposed enhancement as a close working relationship between SFC and the Exchange is an important factor for Hong Kong to sustain its successful role as an international financial centre. In particular, Hong Kong is one of the world's leading stock exchanges for IPO therefore an efficient mechanism for listing decision making is absolutely necessary for Hong Kong to retain such status.

We note that there may be different views on how the above objectives could be achieved and what measurements should be taken.

It is submitted in determining what reforms are to be taken, it is essential that a balance between prudent governance and market competitiveness of the system be struck. Hence, we believe that measures to be adopted should:

- further enhance the competitiveness of Hong Kong as an international financial centre;
- offer sufficient protection to investors;
- balance the benefits of various parties including industry participants (eg. fund managers, broker firms), the Exchange, regulators, investors and other relevant stakeholders (e.g. lawyers, accountants); and
- cater for the evolving economy and market and provide investors with adequate investment options.

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We hope the above comments are useful for the SFC and the Exchange in considering the Consultation Paper.

Yours faithfully

HANG SENG INVESTMENT MANAGEMENT LIMITED

16 November 2016