



7 August 2007

Our Ref.: C/CFC, M51556

Mr. Brian Ho
Executive Director
Corporate Finance Division
Securities and Futures Commission
8th Floor, Chater House
8 Connaught Road Central
Hong Kong

Dear Mr. Ho,

Revised Regime to Giving Statutory Backing To Certain Listing Rule Requirements

In February 2007, representatives of the Hong Kong Institute of CPAs (“the Institute”) attended a focus group consultation meeting arranged by the Securities and Futures Commission (“SFC”) on the revised proposals on statutory backing for certain areas of the Listing Rules. At the meeting, the Institute’s president, Mr. Mark Fong, indicated that we might submit more detailed comments on the revised regime once we had been able to go through the due process within the Institute. Since then, we have also had the benefit of seeing the [Consultation Conclusions paper, Proposed Amendments to the Securities and Futures \(Stock Market Listing\) Rules](#), issued by the SFC.

The Institute’s Corporate Finance Committee has considered the proposed revised regulatory regime. Comments on the proposals, some of which are of a general nature and some more specific, are contained in the [Appendix](#) to this letter.

The Institute previously indicated its support for the principle of giving statutory backing to some of the more important listing requirements, to help raise the standards of corporate governance in Hong Kong and enhance investor confidence in the quality and integrity of our markets, but we raised concerns over the way in which it was proposed to implement this proposal.

We acknowledge the efforts of the SFC to respond to concerns expressed on the initial set of proposals to implement statutory backing. We believe that the revised approach is a step forward, but also that it has difficulties of its own. These include both drafting matters and more fundamental issues, and they point to the need for continuing dialogue to try to reach a consensus on the most appropriate approach for introducing statutory backing for certain Listing Rules in Hong Kong.

We note that the original timetable for implementation of the proposals has changed and understand that certain aspects of the proposals may be undergoing further consideration. In this context, we hope that you find the attached comments to be constructive and helpful.



If you have any questions on this submission, please contact Mary Lam (on 22877086 or mary@hkiipa.org.hk) or myself (on 22877084 or peter@hkiipa.org.hk).

Yours sincerely,

A handwritten signature in black ink that reads 'Peter Tisman'. The signature is written in a cursive, flowing style.

Peter Tisman
Director, Specialist Practices

PMT/ML/ay
Encl.