

Press release

Government welcomes SFC's report on SEHK's performance

Friday, November 2, 2012

The Government welcomes the Securities and Futures Commission (SFC)'s report on the annual review of the performance of the Stock Exchange of Hong Kong Limited (SEHK) in its regulation of listing matters in 2011.

The SFC's report reviews certain operational procedures and decision-making processes adopted by the Listing Division of SEHK to assess whether they are adequate to enable SEHK to meet its statutory obligation under Section 21 of the Securities and Futures Ordinance to ensure, as far as reasonably practicable, an orderly, informed and fair market.

The report recommends that SEHK should adopt a probing approach when dealing with experts' reports under a prospectus so as to ensure such reports are clear, built on reasonable basis and possess sufficient information, and to ensure Listing Committee members are presented with all important issues with more nuanced analyses and recommendations in considering a listing application. SEHK is also recommended to continue its effort to work with the SFC and structured product issuers in enhancing the regulation of structured products.

A Government spokesman said today, "We welcome measures to ensure high standards in vetting listing applications which would in turn enhance our listing standards and protection for investors. We look forward to continuous co-operation among the SFC, SEHK and issuers to improve the quality of our market."

He added, "The conduct of the annual review represents ongoing efforts by the SFC and SEHK to enhance the regulatory regime for the securities market in Hong Kong."