

Press Release

Government welcomes public consultation on listing regulatory regime

Friday, June 17, 2016

The Government welcomed the launch of a joint public consultation exercise today (June 17) by the Securities and Futures Commission (SFC) and the Stock Exchange of Hong Kong Limited (SEHK) on the proposed enhancements to the SEHK's decision-making and governance structure for listing regulation.

The Secretary for Financial Services and the Treasury, Professor K C Chan, said, "As noted by the Financial Secretary in his 2016-17 Budget, given the size and complexity of the securities market, we need to constantly review the regulatory regimes, streamline procedures and enhance market efficiency and quality to reinforce Hong Kong's status as the premier capital formation centre."

He added, "We welcome initiatives to build on the strengths of our existing regulatory regime, enhance efficiency in the listing process by streamlining the decision-making structure and effect closer co-ordination between the SFC and the SEHK in policy development."

Under the proposals, the listing function will remain within the SEHK. The Listing Committee, together with the Listing Department, will continue to decide a large majority of applications for initial public offerings (IPOs) and post-IPO matters within a streamlined regulatory structure.

Two new SEHK committees with equal representation from the SFC and the SEHK will be set up. While the Listing Policy Committee will decide listing policy, the Listing Regulatory Committee will process the more important or difficult listing cases or applications, including those that raise suitability concerns or have broader policy implications.

"Our policy objective is to have timely reviews of listing issues that arise from market changes to ensure the quality of our market. The proposed Listing Policy Committee will also be proactive in looking at issues and ways to facilitate market development, seeking to keep our market competitive in an evolving global environment," Professor Chan said.

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