

Part II

Page C1519

4. (a) to maintain and promote the fairness, *efficiency*, competitiveness, transparency and orderliness of the securities and futures industry;

The efficiency of the industry should be a matter of the relevant exchanges. As long as a competitive market is maintained, it should be left to the market to seek the best efficiency. This has always been the free market spirit adopted in Hong Kong.

Page C1531

11. (3) Where any written direction is given under

The overriding power of the Chief Executive directions may be a concern.

Page C1541

19. Recognition of exchange company

...it may, after consultation with the public and then the Financial Secretary, by notice in writing served on a company, recognize the company as an exchange company-

In the merger of the exchanges, we were assured the monopoly of the Stock Exchange Company. We wish this undertaking is maintained. The recognition of any new stock exchange should come from LEGCO, not just the Financial Secretary.

Page C1545

21. (1) (a) so far as reasonably practicable, an orderly, informed and fair market-

the recognized exchange company should promote an efficient and competitive environment which would best enhance market turnover and fair and anti-dominant environment among participants.

Part III

Page C1631

76. Fees to be approved by Commission

Normally, only regulated utilities require approval on fees to be charged. This section

supports that the Stock Exchange Company is a monopoly and recognition of new players should be approved by LEGCO.

Page C1655

93. Additional powers of Commission---suspension orders
...it may, after consultation with the Financial Secretary....

The suspension of an exchange should come from the Chief Executive, not just in consultation with the Financial Secretary.

Page C1711

111. (1) (b) (iii) sent by electronic mail transmission to the last electronic mail address

Many of our market participants have not yet adopted e-mail system or properly maintain a e-mail system. Delivery of e-mail messages may not be properly received by the recipients.