Consultation Paper Concerning the Regulatory Oversight of Credit Rating Agencies

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Comment	Below are our responses on the Credit Rating Agencies (CRA) consultations: 1. To ensure Hong Kong s competitiveness going forward, it is important for our CRA regulatory regime to be consistent with the international standards/developments 2. It is important to separate type 4 activities with the new proposed type 10 activities to avoid confusion to the investment public. Moreover, the combination of advising on securities and CRA can likely reduce the credibility of SFC in the public/international context 3. We believe the draft amendments to the SFO is effective 4. The new licensing requirements should apply to rating of sukuk. However, we believe it is important to get someone of authority in the space to review the relevant provisions to ensure Shariah compliant 5. All private and internal credit rating activities should be excluded from the new licensing requirements 6. Clearly addressed in the definition of providing credit rating services 7. Paid up of HK$0 & required liquid capital of HK$100,000 is appropriate 8. We believe the proposed guideline is appropriate and regular appropriate 8. We believe the proposed guideline is appropriate and regular review should be carried out after implementation 9. Type 10 (CRA) should be subject to sole business restriction 10. Type 10 (CRA) should be subject to sole business restriction 11. We believe the proposed guideline is appropriate and regular review should be carried out after implementation 12. Given the CRA industry is quite concentrated in Hong Kong, to ensure the smoothness of transition, the grandfathering provision seems appropriate
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