



中華人民共和國香港特別行政區  
Hong Kong Special Administrative Region of the People's Republic of China



立法會 LEGISLATIVE COUNCIL  
胡鴻鈞議員 Hon. Henry K. C. Wu

(By Fax and by post)

16<sup>th</sup> March 2001

Ref: LC-01/039

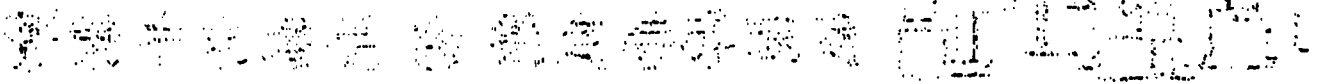
Hon. Sin Chung Kai  
Chairman  
Securities and Futures Bills Committee  
3/F, Citibank Tower  
3 Garden Road  
Central, Hong Kong

Dear Mr. Sin,

Re: Part VIII of the Securities and Futures Bills

Further to my earlier letter of even date, I would like to further express my views on the captioned part of the Bills on the following issues:

1. As this Part concerns the power of the Securities and Futures Commission ("the Commission"), I would like the Administration to advise on equivalent supervision authorities of other Financial markets if the same power also applied. If such powers are also provided to the relevant supervision authorities, the sections which applied in their appropriate ordinances/laws should also be included for reference. Furthermore, there should be sufficient check and balances of such extensive powers. I would therefore ask the Administration to provide such check and balances of the supervision authorities of other Financial markets for comparison.



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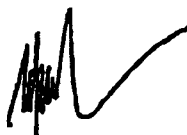
**胡鑑昌** 副會  
Office of Henry K. C. Wu

2. The Part provides the Commission with extensive power to perform its regulatory functions on the licensed intermediaries, I would like to be confirmed if the SAME power (and therefore the SAME set of rules) are also available to HKMA so that it can also discharge its supervisory duties on securities and other regulated activities (as defined in the Bills). If the power and rules are NOT the SAME, please advise if such is fair and the reasons behind such difference.
3. In order to have a clear and better picture on the supervisory power of the HKMA on the regulated activities (as defined in the Bills) on AI, I would like to ask the Administration to provide such information. It would be a good comparison of such supervisory roles of the HKMA's both before the last MOU signed with the Commission and the current. Furthermore, in order to have a clear picture of how HKMA is to discharge its regulatory duties (on the regulated activities) as expected in the Bills, I would like to ask the Administration to inform us of the details of such (including but not limited to the anticipated work, establishment, and financial implications).

Point 2 above, in particular, is a very important issue on Part VIII (and also the Bills in general) with reference to fairness on the supervision of the same industry by two different authorities and potential different sets of rules and ordinances. Please also be advised subject to the foregoing reply and clarification by the Administration, I would have other specific comment on part VIII.

I sincerely hope that you can forward this letter to the Administration and secure their reply at the earliest convenience. Thank you very much for your kind attention and assistance.

Yours sincerely,



Henry K. C. Wu

Cc: Clerk to Bills Committee

HW/ct