

27th April 2001

The Legislative Council,
Hong Kong SAR.

Attn : Ms. Leung Siu-Kum/ Ms. Florence Lam
Clerk to Bills Committee

BY FAX AND BY HAND

Dear Bill Committee,

We refer to our comments on “the Securities and Future Bill” submitted to the Legislative Council 30th January 2001 on Part II Section 11(3) concerning “direction given under the overriding power of the Chief Executive”.

In the blue paper of the Securities and Futures Commission Ordinance, certain checks are now imposed on the Chief Executive as and when he exercises the said power, namely :

1. he has to consult the Chairman of the SFC;
2. it must be in the public interest; and
3. consistent with SFC’s objectives and functions.

However we are of the opinion that the requirement to “consult Chairman of the SFC” is not necessary and may even be considered as seeking “the tiger’s skin from the tiger”.

If such consultation is to show “democracy”, “openness” and “transparency” then the Chief Executive may consider consulting the Financial Secretary or the Executive Council instead.

Yours faithfully,
The Institute of Securities Dealers Limited

Chairman