For discussion on
25 May 2001

Paper No. 14/01

Bills Committee on
Securities and Futures Bill and Banking (Amendment) Bill 2000

Securities and Futures Bill
Part XVI - Miscellaneous

INTRODUCTION

This paper sets out the major features of Part XVI of the Securities and Futures Bill (the "SF Bill") and a related proposal in the Banking (Amendment) Bill 2000 (the "BAB") concerning secrecy.

2. Provisions in Part XVI of the SF Bill fall broadly into two categories –

(a) those of common application to the exercise of a number of regulatory powers and certain statutory requirements throughout various Parts; and/or

(b) those which do not naturally or logically belong in any of the preceding 15 Parts that deal with specific subject matters.

3. A table comparing the provisions in Part XVI of the SF Bill with existing legislation is at the **Annex**.

MAJOR PROPOSALS

Preservation of secrecy and avoidance of conflicts of interest

4. Clauses 366 and 367 are about preservation of secrecy and avoidance of conflicts of interest respectively. They are designed to govern the performance of functions by the Securities and Futures Commission (the "SFC"). To illustrate, of major concern is how the secrecy of information gathered in the course of performing statutory functions by the SFC and other designated parties can be preserved. It is reassuring to note that the requirements imposed on the SFC and other designated parties under the existing regime are stringent and working well. Key changes to existing legislation are highlighted in paragraphs 4(a) to (c) below.

(a) Under the proposed scheme of co-operative supervision of exempt authorized institutions ("AIs") and AIs as associated entities[1], the SFC and the Hong Kong Monetary Authority (the "HKMA") will need to share a wide range of information in performing their respective roles. At present, the HKMA may pass information to the SFC if the disclosure will be desirable or expedient in the interests of depositors, potential depositors or the public interest; or will enable or assist the SFC to perform its functions provided such is not contrary to the interests of depositors, potential depositors or the public interest. As for the SFC, it may pass information to the HKMA subject to the same nature of test with the interest of the investing public in place of that of depositors and potential depositors. We take the view there should not be any barrier to information exchange between the two regulators relevant to the regulation of exempt AIs and AIs as associated entities, and the aforesaid test should therefore be disapplied. However, the restriction on the recipient as regards the onward transmission of such information to a third party remains. Clause 366(3)(f)(i) of the SF Bill and clause 11 of the BAB accordingly reflect the intended arrangement.

(b) Sub-clauses 366(7) and (8) are derived primarily from section 59(3) of the Securities and Futures Commission Ordinance which prohibit the onward release of information disclosed pursuant to circumstances prescribed in the secrecy provision, by the first recipient of the information and any person who directly or indirectly receives the information from the first recipient. Under existing legislation, a person who contravenes the prohibition commits an offence for which no defence is provided. As it is possible that a person who has sight of certain information might not reasonably have known the restriction imposed on its disclosure, we have introduced in clause 366(10) an additional element for establishment of an offence, namely, that the concerned person knew or ought reasonably to have known that the disclosure was made under prescribed circumstances; and had no reasonable grounds to believe that the prescribed grounds permitting further disclosure had been satisfied.

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[1] "Associated entity" is defined in Schedule 1 to mean a company (or an overseas company complying with the provisions of Part XI of the Companies Ordinance) which is in a controlling entity relationship with an intermediary and receives or holds in Hong Kong client assets of the intermediary. Then, "controlling entity relationship" is also defined in Schedule 1 as existing between 2 companies if, for example, either would, either alone or with any of his associates –

(a) be entitled to exercise or control the exercise of not less than-
  (i) subject to subparagraph (ii), 20%; or
  (ii) where any other percentage is prescribed by the rules made under section 384 of the SF Bill for the purposes of the definition of "controlling entity" in Schedule 1 such other percentage, of the voting power at general meetings of the other; or
(b) have the right to nominate any of the directors of the corporation; or
(c) have an interest in shares carrying the right to-
  (i) veto any resolution; or
  (ii) vary, modify, limit or add conditions to any resolution, at general meetings of the other.

(c) As highlighted in the market comments from the Law Society, the existing legislation is ambiguous as to the secrecy obligation of parties who are subject to investigation or inquiry by the SFC. We have taken the opportunity to remove the ambiguity through expressly imposing under clause 366(11)(a) the secrecy obligation on them and professional advisers acting for them. This secrecy obligation is essential to ensure that the regulatory efforts of the SFC would not be jeopardized. Moreover, we believe that secrecy of information provided by a person pursuant to the requirements under the SF Bill should be subject to protection against unjustified disclosure by the SFC as much as that by professional advisers and other persons engaged by the person for the purpose. We have not received any adverse comments on this. We note however that clause 366 does not adequately address the needs of the persons prescribed in clause 366(11) to disclose information for exercising their legitimate rights, such as to seek legal or other professional advice or to utilize the information in a related legal proceedings. We shall propose a Committee Stage Amendment to close the gap accordingly.

Immunity

5. Clause 368 follows the existing principle in granting immunity, namely, that a person acting in good faith should be free from civil liability with respect to anything done or omitted to be done in the performance or purported performance of any act pursuant to the legislation. This immunity coverage is in keeping with that in other leading jurisdictions. By way of illustration, under the Financial Services and Market Act 2000 (the "FSMA"), the corresponding threshold is unless "the act or omission is shown to have been in bad faith". Under the Australian Securities and Investment Commission Act 1989, Commission staff enjoy immunity from civil suit on the same basis as that contained in clause 368.

Immunity in respect of communication with the SFC by auditors of listed corporations, etc.

6. We are conscious of the rapid development of the financial market and the increasing complexity of financial transactions, which provide greater scope for persons responsible for fraud or other questionable practices to disguise the true nature of their activities. Auditors, in the course of conducting an audit for a listed company, may identify the possible existence of fraud or irregularity. They may wish to serve the public interest by reporting their concerns to the regulatory authority. However, in doing so, they could face a civil claim from for example, the listed corporation for, among other things, breach of confidentiality and consequently suffer financial loss as well as damage to their professional reputation. Clause 369 provides auditors of listed corporations who choose to report to the regulatory authority any suspected fraud or

misconduct in the management of a listed corporation, statutory immunity from civil liability under the common law.

7. This proposal has its origin in an amendment bill first put to the Legislature in 1996 that subsequently lapsed, and is re-introduced into the SF Bill. We are encouraged by the warm reception of the accountancy profession after intense engagement with the Hong Kong Society of Accountants (the "HKSA"). During the last consultation exercise, the HKSA however expressed residual concern that the immunity clause might be interpreted as implying a duty on the part of auditors to report to the regulatory authority. We have explained at great length to the HKSA that the SF Bill will imply no such duty. We are glad to note that in its latest submission to the Bills Committee, the HKSA indicates acceptance of the clause and that a practice note for auditors on the practical application of this clause will be drawn up in consultation with the SFC.

Provision of false or misleading information

8. Due to increasing reliance on disclosure as a safeguard of investor interests as well as a means to enhance market transparency, it is important that the SFC and the front-line market operators, namely a recognized exchange controller, a recognized exchange company and a recognized clearing house, receive accurate information. This is particularly so in view of the international trend towards requiring quality and more disclosure of information to promote market transparency and efficiency. Accordingly, the Securities and Futures Legislation (Provision of False Information) Ordinance 2000 (Ordinance No. 58 of 2000) creates offences with respect to providing false or misleading information to them. Clause 372 unifies the offences in this newly enacted ordinance in a single provision. The prosecution has to prove that a person has submitted information that is false or misleading in a material particular, and that the person knew or was reckless as to whether, the information was false or misleading in a material particular. This mental element is echoed also in clause 371 concerning false or misleading representations in applications to the SFC.

Power of Commission to intervene in proceedings

9. Clause 373 is a new provision that resembles section 1330 of the Corporations Law of Australia (the "CLA"). As financial markets and their infrastructure become increasingly complex, some litigated disputes between private parties may, depending on the result of the litigation, have an impact on the regulatory framework. Private litigation may involve points of law, the judicial interpretation of which bears on the wider public interest. The clause will give the SFC standing to intervene as a party in proceedings (other than criminal proceedings) between third parties in cases which concern a matter provided for in the SF Bill or in Parts II or XII of the Companies Ordinance[2], or in which the SFC has an interest by virtue of its

[2] Parts II and XII of the Companies Ordinance respectively concern "Share Capital and Debentures" and "Restrictions on Sale of Shares and Offers of Shares for Sale".

statutory functions . The SFC may then provide its regulatory perspective and expert opinion. Taking into account the views of the Legislative Council Sub-committee on the Securities and Futures Bill made in the last legislative session and the Bar Association, the SFC must consult the Financial Secretary before seeking to intervene in any proceedings and must be satisfied that its intervention is in the public interest. Parties to the litigation will have the right to oppose the SFC's application for leave to intervene in the proceedings and, if the Court grants the SFC leave to intervene, such leave may be subject to such terms as the Court considers just. These requirements are based on the current procedure for the joinder of third parties in civil litigation. The fact that the SFC will be a party to such proceedings means that it will be potentially liable to pay the costs of the other parties to the proceedings.

Proceedings not to be stayed

10. Clause 374(1) puts beyond doubt that the mere existence of judicial or other proceedings, or circumstances that disclose the commission of an offence, should not by itself justify the stay or deferral of other proceedings or action under the SF Bill. This is a new provision that resembles section 1331 of the CLA. Clause 374(2) however makes clear that, notwithstanding clause 374(1), a court may grant a stay or deferral of action as appropriate. We take the view this arrangement strikes the right balance. By way of illustration, a restriction notice under clause 197 to prevent a securities dealer's representative charged with theft of client assets from handling clients' assets will not be unnecessarily delayed or deferred to the detriment of investor protection, save in those circumstances where the enforcement action will, for example, cause potential prejudice to the person who is the subject of the action in the related proceedings.

Standard of proof

11. Clause 375 is introduced as a general provision that unless otherwise provided for in any of the relevant provisions, matters which are to be determined by a court or by the SFC for the purposes of the provisions of the SF Bill or Parts II or XII of the Companies Ordinance (other than in relation to criminal proceedings), are to be established on balance of probabilities. This provision resembles section 1332 of the CLA.

Limitation on commencement of proceedings

12. Clause 377 provides that any information or complaint relating to an offence under the SF Bill, other than an indictable offence, may be tried if it is laid or made (as the case may be) at any time within 3 years after the commission of an offence. The clause drops the existing alternative requirement in related Ordinances that such cases can also be tried if they are laid or made within 12 months after the first discovery thereof by the prosecutor. The change is due to mainly two reasons – first, in some cases 12 months is insufficient for the conduct of a proper investigation;

and secondly, difficulties have arisen in determining which date should be adopted as the date of discovery of an offence.

Liability of officers of corporations for offences by corporations, etc.

13. Many of the offences under the SF Bill are created with respect to corporations, which apparently have to act under the mind and will of their officers. Sections 89 and 101E of the Criminal Procedure Ordinance would have the effect that where an offence under the SF Bill committed by a corporation is proved to have been aided, abetted, counselled, procured or induced by, or committed with the consent or connivance, of its officers or any person purporting to be its officers, the officers as well as the corporation are guilty of the offence. For greater clarity, we have accordingly prepared clause 378 to achieve the like effect.

14. Furthermore, with a view to ensuring that management of a corporation performs its role at least up to a minimum standard, clause 378 holds an officer criminally liable for the offence committed by the corporation which was attributable to his recklessness. This standard is developed from the "neglect" standard set in the Commodities Trading Ordinance and the Securities Ordinance. As our intention is not to criminalize an officer who is merely negligent, we have adjusted the required mental element, in consultation with the Director of Public Prosecutions, to "recklessness". The onus of proof is put on the prosecution.

15. Members may wish to note that we had proposed in the White Bill to carry the management liability concept to the extent that executive officers of an intermediary would face strict liability for a number of offences, mainly under Part V and Part VI, committed by the intermediary. This was put forward to the market together with a due diligence defence provided in the equivalent of clause 378. Having regard to the strong market opposition and the practices in leading jurisdictions, as explained in paragraph 22 of Paper 6/01, we have decided to withdraw the proposal.

Financial Secretary to prescribe securities, futures contracts and investment arrangements

16. As mentioned in Papers 4/01 and 5/01, it is necessary to provide for a flexible framework in the SF Bill to facilitate market developments and the emergence of new financial products. Clauses 379 and 380 enable the Financial Secretary to prescribe, by way of subsidiary legislation, certain financial products as constituting, or as not constituting, investment arrangements and securities or futures contracts, thereby suitably defining the regulatory regime over time for investor protection. Similar mechanism is adopted under the Protection of Investors Ordinance and the FSMA whereby the Treasury may prescribe by order the scope of what constitutes regulated activity and investments to be regulated by the Financial Services Authority as the need arises.

Transaction levies

17. Clause 381 empowers the Chief Executive in Council (the "CE in Council") to prescribe the transaction levy. This power is largely the same as that under existing legislation, save that the range of leviable transactions has been updated to cover the sale and purchase of any securities and futures contracts traded by means of automated trading services authorized under Part III of the SF Bill. The existing mechanism that triggers the review on a possible reduction of transaction levy with reference to the level of reserves and outstanding borrowing of the SFC has also been carried down to clause 383.

Rules made by the SFC

18. In the course of developing specific regulatory requirements in individual Parts of the SF Bill, we have proposed, where appropriate, to provide the SFC with the power to make specific rules for the proper discharge of its regulatory functions. Clause 384(1) provides the SFC with general rule making power in respect of certain miscellaneous matters or matters that have cross application to different Parts. This resembles for example, section 146A of the Securities Ordinance.

19. To enable the regulator to respond in a timely manner to market developments and any unforeseeable changes that are not covered by clause 384(1) and other rules to be made under the earlier Parts, we further propose under clause 384(2) to confer upon the SFC a reserve power to make rules that are necessary for the furtherance of its regulatory objectives and performance of its functions. To ensure that the SFC will exercise the power judiciously, clause 384(2) and (3), respectively, require the SFC to consult the Financial Secretary and the market prior to making such rules. In the UK, the Financial Services Authority enjoy similar general rule making power under section 138 of the FSMA.

20. In connection with all the rules to be made by the SFC under the SF Bill where the corresponding enabling power does not include one to prescribe offences, the CE in Council may make regulations to that effect and to provide penalty maximum[3] as appropriate. The same arrangement can be found in the Securities Ordinance and the Leveraged Foreign Exchange Trading Ordinance.

21. The rule-making approach is fundamental to the effective operation of the SF Bill. The basis for this approach is that effective regulation depends upon the regulator having the flexibility to address changing market practices and global conditions by amendments to rules rather than amendments to the primary legislation. Such rule-making power is already a part of the existing law.

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[3] Not exceeding a fine of $500,000 and 2 years' imprisonment following conviction on indictment and a fine of $100,000 and 6 months' imprisonment on summary conviction.

22. We have explained at length in Paper 6/01 the general safeguards for ensuring that the rules made by the SFC under Parts VI and VII would be both practicable and reasonable. These general safeguards, indeed, are applicable to all rules made under the SF Bill, namely that the rules are to be subject to negative vetting by the Legislative Council and, prior to that, public consultation. In most cases, public consultation is not a statutory requirement but as a matter of standing practice, the SFC does consult the market. The SFC has formed a number of working groups with market representatives in preparing the various rules to be made under the SF Bill. The SFC is currently in the process of consulting the public on certain rules and more rules will be put out for public consultation in due course. Some Members and market participants have suggested that the consultation requirement should be made statutory. We are prepared to consider introducing a Committee Stage Amendment to this effect. The requirement should however be flexible enough to allow the SFC to respond to for example, emergency and exceptional circumstances in a timely and flexible manner.

Codes and guidelines published by the SFC

23. Clause 385 of the SF Bill provides the SFC with an express power to publish codes and guidelines to provide guidance for the furtherance of its regulatory objectives, in relation to any matters relating to any of its functions and in relation to the operation of any provision of the Bill. These instruments are not subsidiary legislation and failure to comply with them shall not by itself render a person liable to any judicial or other proceedings. They seek, for example, to assist intermediaries in complying with the requirements for fitness and properness in order to remain licensed or exempt.

MARKET COMMENTS

24. During the public consultation exercise, certain key areas of concern to the market in respect of Part XVI were identified and addressed. They are discussed below.

Auditors' immunity

25. The concern of the accountancy profession that the clause on auditors' immunity would be interpreted as imposing a duty on them to report to the regulator has been allayed. Please refer to paragraphs 6 and 7 above for details.

Management liability

26. As mentioned in paragraph 15 above, we have withdrawn the proposal for imposing strict liability on executive officers of intermediaries and corresponding defence, in the light of market comments.

Liability of corporations

27. We had in the White Bill attempted to reflect a provision in the Commodities Trading Ordinance to regard the act, omission or failure of personnel of a corporation as that of the corporation if they acted, or purported to act, for or on behalf of a corporation within, or apparently within, the scope of their office or employment. A number of market participants submitted that the clause would indeed go beyond the common law. In the light of the market comment, we have decided to delete the clause and rely instead on the common law on this.

Consultation

28. In response to market comments seeking to statutorily require the SFC to conduct consultation before making and publishing rules, codes and guidelines that affect market participants, we are considering a Committee Stage Amendment. Please see paragraph 22 above.

Securities and Futures Commission
Financial Services Bureau
18 May 2001

Annex

Securities and Futures Bill
Part XVI

Comparison Table

Legend:

CLA	-	Corporations Law of Australia
CTO	-	Commodities Trading Ordinance (Cap. 250)
ECH(M)O	-	Exchanges and Clearing Houses (Merger) Ordinance (Cap. 555)
FSMA	-	Financial Services and Markets Ordinance 2000 (U.K.)
LFETO	-	Leveraged Foreign Exchange Trading Ordinance (Cap. 451)
PIO	-	Protection of Investors Ordinance (Cap. 335)
S(DI)O	-	Securities (Disclosure of Interests Ordinance (Cap. 396)
SF(CH)O	-	Securities and Futures (Clearing Houses) Ordinance (Cap. 420)
SFCO	-	Securities and Futures Commission Ordinance (Cap. 24)
SFL(PFI)O	-	Securities and Futures Legislation (Provision of False Information) Ordinance 2000 (Ord. No. 58 of 2000)
S(ID)O	-	Securities (Insider Dealing) Ordinance (Cap. 395)
SMFAO	-	Securities(Margin Financiers)(Amendment) Ordinance 2000 (Ord. No. 12 of 2000)
SO	-	Securities Ordinance (Cap. 333)
sc.	-	subclause

Clause	Contents	Derivation	Notes
	PART XVI – MISCELLANEOUS		
	Division 1 – Secrecy, conflict of interests and immunity		
366	Preservation of secrecy, etc.	SFCO s.59(1), (2), (2A), (3) & (7)(a), 59A(1) & (2) & 61(1); SO s.94; CTO s.57; SMFAO s.121BA; LFETO s.63(1), (2), (3), (4) & (7)(a)	Subclause (1) is substantially current law, save for differences in the rendering. Subclause (2) is partly new; sc.(2)(a) derives from s.59(2)(n) and sc.(2)(b) derives from s.59(2)(b) of SFCO. Subclause (3)(a), (d), (h), (i), (l) and (m) follow current law, sc.(3)(b) enlarges on s.59(2)(c), whereas sc.(3)(c) is new. Subclause (3)(e) is newly explicit, whereas sc.(3)(f) enlarges on the current law, as does sc.(3)(g) save that paragraphs (i), (ii), (iii), (viii) and (ix) are new. Subclause (3)(j)(vi) is newly explicit. Subclause (4) derives from s.121BA of the SMFAO, whereas sc.(5), (6), (9) and (12) reflect current law. Subclause (7) enlarges upon s.59(3), particularly in subparagraph (i). Subclause (8) derives from s. 94 of the SO and s. 57(1) of the CTO, though subparagraph (iii) is new. Subclause (10) is derived from s.57(2) of the CTO, though its application to the matters in sc.(7) is new. Subclauses (11), (13), (14) and (15) are new.
367	Avoidance of conflict of interests	SFCO s. 59(4), (5), (6) & (7)(b) & 61(1); LFETO s. 63(5), (6) & (7)(b)	Subclause (1) reflects existing law, though enlarged in its application, whereas sc.(2), (3) and (4) largely follow current law.
368	Immunity	SFCO s.56; SF(CH)O s.17; LFETO s. 62	Subclause (1) basically reflects current law, though paragraphs (a) and (b) are new. Subclause (2) is new, whereas subclauses (3), (4) and (5) essentially follow existing law.

Clause	Contents	Derivation	Notes
369	Immunity in respect of communication with Commission by auditors of listed corporations, etc.	New	
	Division 2 – General provisions regarding proceedings and offences		
370	Obstruction	SO s.145(a); CTO s.108(a); LFETO s. 64(a)	This provision essentially follows existing law, though the penalty is updated.
371	False or misleading representations in applications to the Commission	CTO s. 40; SO s. 62; SMFAO s. 121F(4) & (5); LFETO s. 10	In rationalizing the current law, this provision most clearly reflects s.10 of the LFETO. The element of recklessness, consistent with that in the following provision, is new.
372	Provision of false or misleading information	SFL(PFI)O ss. 2, 3, 4, 5, 6, 7, 8, 9 & 10	This provision rationalizes existing law though with stylistic changes.
373	Power of Commission to intervene in proceedings	New; CLA s.1330	
374	Proceedings not to be stayed	New; CLA s. 1331	
375	Standard of proof	New; CLA s.1332	
376	Prosecution of certain offences by Commission	SO s.148; CTO s.114; SFCO s.62; LFETO s. 65; S(DI)O s.49	Subclause (1) follows existing law, save that it is updated to include the now statutory offence of conspiracy. Subclauses (2) and (3) reflect current law.
377	Limitation on commencement of proceedings	SO s.148A(1); CTO s.114A(1); PIO s.7B(1); LFETO s. 67; S(ID)O s.35; S(DI)O s.50	Subclause (1) rationalizes the existing law, save that the 12 months from discovery aspect is abandonned. Subclause (2) is new.

Clause	Contents	Derivation	Notes
378	Liability of officers of corporations for offences by corporations, and of partners for offences by other partners	SO s.147(1) & (4); CTO s.110(1); PIO s.7(1) ; S(ID)O s. 34; S(DI)O s.48	This provision (1) rationalizes the current law, but elaborates the liability for aiders and abettors.
	Division 3 – Power to make rules, and codes or guidelines, etc.		
379	Financial Secretary to prescribe interests, etc. as securities and futures contracts	New: FSMA s.22 & Part II of Schedule 2	
380	Financial Secretary to prescribe arrangements as collective investment schemes	PIO ss. 2(1) "investment arrangements" & 2A	Subclause (1)(a)(i) and (b) derives from s.2A of the PIO, whereas sc.(1)(a)(ii) derives from the definition of "investment arrangements" in s.2(1) of the PIO. Subclause (2) is new, consistent with clause 379(2).
381	Orders by Chief Executive in Council for levies	SFCO s. 52; CTO s.79A	Subclause (1) reflects current law, save that paragraph (c) is new. Subclause (2) follows existing law, although sc.(2)(a)(iii) is newly explicit. Subclause (3) essentially rationalizes the existing law. Subclause (4) derives from s.52(3)(b) of the SO, whereas subclauses (5), (6) and (7) are existing law.
382	Rules by Chief Executive in Council for payment of fees	SFCO s.54; LFETO s.72	Subclauses (1), (2), (3) and (4) essentially reflect existing law, although the references to the Monetary Authority are new. Subclauses (5), (6) and (7) are new.
383	Reduction of levy	SFCO s.52(6)	Subclause (1) follows existing law, sc.(2) is new in that it is made explicit.

Clause	Contents	Derivation	Notes
384	Rules by Commission	SO ss.65A(2), 146 & 146A; CTO s.109; LFETO ss. 45 & 73	Subclause (1) enlarges on the existing law, whereas subclauses (2), (3), (4), (5), (6) and (7) are new. Subclause (8) is derived from s.146A of the SO, with an increased maximum penalty level. Subclause (9)(a) and (b) basically follow existing law, whereas sc.(9)(c) is new. Subclause (10)(a), (b) and (c) reflect existing law, but sc.10(d) and (e) are essentially new.
385	Codes or guidelines by Commission	New; SFCO s.4(2);	This provision is almost entirely new and represents a substantial enlargement upon s.4(2) of the SFCO, crafted in a manner consistent with clause 384.
	Division 4 – Miscellaneous		
386	Service of notices, etc.	SFCO s.60; LFETO s. 61	This provision essentially reflects the existing law, save that service by way of facsimile or electronic mail is also provided for.
387	Evidence regarding Commission's records or documents	SFCO s.58; LFETO s. 68	This provision follows the existing law.
388	General requirements for documents lodged with Commission	New	
389	General provisions for approvals by Commission	ECH(M)O s. 2(4)	This provision follows existing law.
390	Exclusions of provisions of Gambling Ordinance	CTO s.116; LFETO s. 70	This provision rationalizes the existing law and applies it to any transaction regulated under the Ordinance.
391	Inland Revenue Ordinance not affected	New	