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SU B38/31(2000)III

18 January 2001

BY FAX (Total pages)

Mrs Florence Lam
Clerk to Bills Committee on Securities and Futures Bill
and Banking (Amendment) Bill 2000
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central, Hong Kong

Dear Mrs Lam,

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

Meeting on 19 January 2001

At the meeting on 12 January 2001, the Administration undertook to provide its view as regards the applicability of clause 34 (Restriction on use of titles relating to exchanges, markets, etc) to the titles used in cyberspace, such as internet domain names. I should be grateful if you would bring to the attention of the Bills Committee the view set out below.

Just like its predecessors in current law (section 106 of the Commodities Trading Ordinance (Cap.250) and section 21 of the Securities Ordinance (Cap.333)), clause 34 of the Securities and Futures Bill is technology neutral. It applies to any person who, without the authorization of the SFC, "takes or uses" a specified title, "or anything closely resembles any such title". There is nothing to preclude the clause applying to such taking or using on the internet. The SFC already monitors market activities on the internet like the advertising of financial products, as parts of its normal supervisory work.

Yours sincerely,

(Miss Emmy Wong)
for Secretary for Financial Services

c.c. Mr K W Kau, Legal Service Division, Legislative Council Secretariat
DoJ (Attn.: Mr K F Cheng, Ms Francoise Lam, Ms Beverly Yan, Miss Ada Chen
Ms Sherman Chan, Mr Michael Lam, Mr Yung Lap Yan)
SFC (Attn.: Mr Mark Dickens, Mr Gerald Greiner, Mr Andrew Young,
Mr Andrew Procter, Mr Gary Ho, Mr Joe Kenny)

Internal
DS(FS)1
PAS(Sec)(SD)
AS(Sec)(SD)2