

LS/S/4/00-01
2869 9468
2877 5029

Securities and Futures Commission
Intermediaries and Investment Products Division
12/F, Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

28 October 2000

BY FAX

Fax No. : 2526 5304
Total no. of page(s) : 1

(Attn : Mrs Yvonne Mok
Associate Director)

Dear Mrs Mok,

Financial Resources (Amendment) Rules 2000 (L.N. 284)

In relation to the amendment to the definition of "approved subordinated loan ("the flawed definition")", a member at the LegCo House Committee meeting held on 27 October 2000 asked the following questions and we should be grateful for your clarification-

- (a) whether the flawed definition has caused any operational difficulties to the advisers during the period after the Financial Resources Rules have come into operation (12 June 2000) but before the amendment to the flawed definition ("the material period"); and
- (b) whether the flawed definition has made it difficult for the advisers to comply with any legal requirements during the material period.

It is appreciated that your reply, in both languages, could reach us by 31 October 2000.

Yours sincerely,

(Stephen Lam)
Assistant Legal Adviser

c.c. Henry Wu King-cheong, BBS (Fax No. : 3110 8809)

By fax and by mail
(Fax: 2877 5029)

31 October 2000

Mr Stephen Lam
Assistant Legal Adviser
Legislative Council Secretariat
Legal Services Division
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Your ref: LS/S/4/00-01

Dear Mr Lam

FINANCIAL RESOURCES (AMENDMENT) RULES 2000 (L.N. 284)

I refer to your letter dated 28 October 2000.

This is to confirm that

- (a) the definition of “approved subordinated loan” has not caused any operational difficulties to any advisers during the period after the Financial Resources Rules have come into operation (12 June 2000) but before the amendment to that definition (“the material period”); and
- (b) the definition of “approved subordinated loan” has not made it difficult for any advisers to comply with any legal requirements during the material period.

Yours sincerely

Yvonne Mok
Associate Director of Intermediaries Supervision

cc Mr Henry Wu King-cheong, BBS (Fax no: 3110 8809)

\\IS\YMLC\00L295