

LN058-e

L.N. 58 of 2001

Securities (Miscellaneous) (Amendment)

Rules 2001

(Made by the Securities and Futures Commission under section 146(1) as read with section 80(4)(d) of the Securities Ordinance (Cap. 333))

1. Commencement

These Rules shall come into operation on 6 April 2001.

2. Prescribed class of transaction for the purpose of section 80(4)(d) of the Ordinance

Rule 17 of the Securities (Miscellaneous) Rules (Cap. 333 sub. leg.) is amended---

(a) by renumbering it as rule 17(1);

(b) by adding---

"(2) (a) A sale of shares of Exchange Traded Funds by a market maker in such capacity shall be a class of transaction prescribed for the purposes of section 80(4)(d) of the Ordinance subject to the market maker acquiring on the same day as the sale the right to vest such shares in the purchaser of them, by virtue of---

(i) purchasing such shares;

(ii) borrowing such shares; or

(iii) placing an order for the creation of such shares in accordance with the terms for the creation of shares required by the issuer of those shares.

(b) In this subrule---

"Exchange Traded Funds" (交易所買賣基金) means mutual funds or unit investment trusts that hold portfolios of securities which are designed generally to correspond to the price and yield performance of the underlying portfolio of securities with in kind creation and redemption facilities and which are listed or traded on the Exchange Company as a single security;

"market maker" (市場莊家) means any person who is registered as a market maker by the Exchange Company in accordance with its rules."

Andrew Len Tao SHENG

Chairman,

Securities and Futures Commission

28 February 2001

Explanatory Note

Under section 146(1) as read with section 80(4)(d) of the Securities Ordinance

(Cap. 333), the Securities and Futures Commission may make rules to prescribe a class of transaction of securities to which section 80(1) of the Ordinance does not apply.

2. The Securities (Miscellaneous) Rules (Cap. 333 sub. leg.) are now amended to prescribe, as a class of transaction to which section 80(1) of the Ordinance does not apply, sales of shares of Exchange Traded Funds by market makers (acting in such capacity) prior to acquiring the right to vest such shares in the purchaser of them provided that the market maker purchases the shares, borrows the shares or places an order for the creation of the shares with the issuer of the Exchange Traded Funds, within the same day as the sale.