

LN163-E

L.N. 163 of 2001

Securities (Miscellaneous) (Amendment) (No. 2) Rules 2001

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

1. Commencement

These Rules shall come into operation on 26 October 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 by adding---

"(3) (a) A sale of securities carried out by a Stock Options Market Maker for the purpose of hedging the risks of a position previously acquired on the Unified Exchange in options of such securities shall be a class of transaction prescribed for the purposes of section 80(4)(d) of the Ordinance.

(b) In this subrule---

"Stock Options Market Maker" (股票期權市場莊家) means any person who is registered as a Stock Options Market Maker by the Exchange Company in accordance with its rules.

(4) (a) A sale of securities carried out by a Registered Trader of stock futures contracts for the purpose of hedging the risks of a position previously acquired on the Commodity Exchange in stock futures contracts of such securities shall be a class of transaction prescribed for the purposes of section 80(4)(d) of the Ordinance.

(b) In this subrule---

"Commodity Exchange" (商品交易所) means the commodity exchange established and operated by the Futures Exchange Company under the Commodities Trading Ordinance (Cap. 250);

"Futures Exchange Company" (期貨交易所) means the Exchange Company within the meaning of section 2(1) of the Commodities Trading Ordinance (Cap. 250);

"Registered Trader" (註冊買賣商) means any person who is registered as a Registered Trader by the Futures Exchange Company in accordance with its rules;

"stock futures contract" (股票期貨合約) means a stock futures contract of which the contract specifications are set out in the rules of the Futures Exchange Company."

Andrew Len Tao SHENG

Chairman,

Securities and Futures Commission

3 July 2001

Explanatory Note

Under section 146(1) of the Securities Ordinance (Cap. 333) as read with section 80(4)(d) of the Ordinance, 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 securities carried out by Stock Options Market Makers and Registered Traders of stock futures contracts for the purposes of hedging the risks of positions they have previously acquired on the Unified Exchange and the Commodity Exchange respectively.