

**For discussion  
on 29 April 2002**

**Paper No. 2/02**

**Subcommittee on Draft Subsidiary Legislation to commence  
the Securities and Futures Ordinance**

**Securities and Futures (Unsolicited Calls - Exclusion) Rules**

This paper sets out the proposals of the Securities and Futures Commission (SFC) to exclude certain agreements and calls from the prohibition against unsolicited calls in section 174 of the Securities and Futures Ordinance (SFO) (5 of 2002).

**Proposal**

2. The SFC proposes to make the Securities and Futures (Unsolicited Calls - Exclusion) Rules, now in draft at Annex 1, under section 397(1) of the SFO.

**Power to make the Rules**

3. Section 174(1) of the SFO prohibits generally unsolicited calls made by intermediaries and their representatives in relation to securities, futures contracts, leveraged foreign exchange contracts or securities margin financing. A “call” is defined in section 174(7) as meaning “a visit in person, or a communication by any means, whether mechanically, electronically, magnetically, optically, manually or by any other medium ...”. An “unsolicited call” is also defined in section 174(7) as meaning “any call made otherwise than at the express invitation of the person called upon ...”.

4. Certain exceptions from the scope of section 174(1) are made in section 174(2). In addition, the SFC is given the power in section 174(3), by means of rules to be made under section 397, to exclude from the ambit of section 174(1): (a) classes of agreements; (b) calls made by classes of persons; (c) calls made to classes of persons; and (d) classes of calls. Section 174(4) states expressly that the SFC may make rules for the purposes of section 174(3)(d) to exclude calls made by authorized financial institutions that comply with guidelines published by the Monetary Authority under section 7(3) of the Banking Ordinance. In

accordance with section 398(4) of the SFO, the SFC has consulted the Monetary Authority on the draft Rules. The Legal Services Division of the SFC and the Department of Justice have been consulted on the vires of the draft Rules. The advice is that the draft Rules would be *intra vires* if made as drafted.

### **Major features of the draft Rules**

5. The draft Rules at Annex 1 are to be made by the SFC under section 397(1). They prescribe that certain agreements and calls are excluded from the prohibition against unsolicited calls without compromising investor protection. These exclusions are -

- (a) any agreement to sell securities of a corporation to a person who is already the holder of securities of that corporation (clause 3(1) of the draft Rules, adapted from section 73(3)(a) of the Securities Ordinance (Cap. 333));
- (b) any unsolicited call that is a "permissible communication", defined as any communication not made in the course of a visit in person, a telephone conversation or any other interactive dialogue during which statements and responses to them are exchanged immediately (clauses 3(2)(a), (3) and (4) of the draft Rules, modelled on the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2001); and
- (c) any unsolicited call made by a registered institution in relation to a leveraged foreign exchange contract, which complies with guidelines made by the Monetary Authority (clause 3(2)(b) of the draft Rules, adapted from the Leveraged Foreign Exchange Trading (Calls) Rules (Cap. 451 Sub. Leg. H)).

6. The SFC considers that by permitting certain additional categories of activity to be excluded from the prohibition against unsolicited calls in section 174, the draft Rules would be consistent with the SFC's objective in section 4(a) of the SFO "to maintain and promote the fairness, efficiency, competitiveness, transparency and orderliness of the securities and futures industry". The draft Rules also seek to ensure that only those business activities which would not result in members of the public being pressured into buying financial products they do not want or cannot afford during the course of an unsolicited call, are permitted to occur. This is consistent with the SFC's objective in section 4(c) of the SFO "to

provide protection for members of the public investing in or holding financial products”.

### **Public consultation**

7. The SFC released a consultation document and an exposure draft of the Rules on 20 October 2001 for comment by the public. A total of 14 submissions were received. The SFC has considered all the comments received and revised the draft Rules as appropriate. We attach the following documents for Members' reference -

- (a) Consultation Document on the draft Rules, at **Annex 2**, which sets out the underlying policy, together with the exposure draft of the Rules. Members would appreciate that certain proposals in the Consultation Document and the exposure draft of the Rules may have become outdated as the proposals and draft Rules were refined in the light of the comments received during the consultation period. The draft Rules as revised are at Annex 1 for Members' consideration; and
- (b) Consultation Conclusion and Summary of Comments and SFC's Responses, at **Annex 3**, which set out the conclusions from the consultation and the SFC's responses, in the form of a table, to the comments received. A list of respondents is attached to the Summary of Comments and SFC's Responses.

### **Way forward**

8. Subject to Members' views, the SFC will proceed to make the Rules under the authority vested in it and publish the Rules so made in the Gazette for tabling before the Legislative Council in the normal manner. The intention is that the Rules shall come into operation on the commencement of the SFO.

Securities and Futures Commission  
Financial Services Bureau  
22 April 2002

**DRAFT**

**Annex 1**

**SECURITIES AND FUTURES (UNSOLICITED CALLS –  
EXCLUSION) RULES**

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## **SECURITIES AND FUTURES (UNSOLICITED CALLS – EXCLUSION) RULES**

(Made by the Securities and Futures Commission under section 397(1)  
of the Securities and Futures Ordinance (5 of 2002))

### **1. Commencement**

These Rules shall come into operation on the day appointed for the commencement of Part VII of the Securities and Futures Ordinance (5 of 2002).

### **2. Interpretation**

In these Rules, unless the context otherwise requires –

“call” ( ) has the meaning assigned to it by section 174(7) of the Ordinance;

“Monetary Authority guideline” ( ) means the Guideline of the Monetary Authority issued in November 1995 and published in the Gazette under section 7(3) of the Banking Ordinance (Cap. 155) as G.N. 4679 of 1995 on 17 November 1995, or that Guideline as amended from time to time;

“permissible communication” ( ) means a communication referred to in section 3;

“recipient” ( ) means a person to whom a communication is made or, in the case of a permissible communication, a person who reads or hears the communication;

“unsolicited call” ( ) has the meaning assigned to it by section 174(7) of the Ordinance.

### **3. Excluded unsolicited calls**

(1) For the purposes of section 174(3)(a) of the Ordinance, section 174 of the Ordinance does not apply to any agreement to sell securities of a corporation to a person who is already the holder of securities of that corporation.

(2) For the purposes of section 174(3)(d) of the Ordinance, section 174 of the Ordinance does not apply to any unsolicited call that is –

- (a) a permissible communication; or
- (b) made by a registered institution –
  - (i) in relation to a leveraged foreign exchange contract; and
  - (ii) which complies with the requirements under the Monetary Authority guideline that apply to a registered institution.

(3) A permissible communication is any communication that is not made in the course of any of the following acts –

- (a) a visit in person;
- (b) a telephone conversation;
- (c) any other interactive dialogue in the course of which statements and responses to them are exchanged immediately.

(4) Without limiting the generality of subsection (3), the following are regarded as among indications that a communication is a permissible communication –

- (a) the communication is made to more than one recipient in identical terms (save for details of the recipient's identity);
- (b) the communication is made by way of a system which in the normal course constitutes or creates a record of the communication which is available to the recipient to refer to at a later time;
- (c) the communication is made by way of a system which in the normal course does not require the recipient to respond immediately to it.

Chairman,  
Securities and Futures  
Commission

2002

#### **Explanatory Note**

These Rules are made by the Securities and Futures Commission under section 397(1) of the Securities and Futures Ordinance (5 of 2002) for the purposes of section 174(3)(a) and (d) of the Ordinance. They exclude certain agreements and unsolicited calls from the application of section 174 of the Ordinance.



## Consultation Document

### The Draft Securities and Futures (Unsolicited Calls - Exclusion) Rules (the “draft Rules”)

#### Introduction

1. Unlike sections 73 and 74 the Securities Ordinance and section 60A of the Commodities Trading Ordinance which essentially limit “call” to a visit in person and a communication by telephone, clause 169 of the Securities and Futures Bill defines “call” to mean a visit in person, or a communication by any means, whether mechanically, electronically, magnetically, optically, manually or by any other medium, or by way of production or transmission of light, image or sound or any other medium.
2. Clause 169 then gives the SFC the necessary rule-making power under sub-clause (3)(d) to exclude classes of calls by way of subsidiary legislation. The basis for this approach is that, consistent with modern securities legislation such as the UK Financial Services and Markets Act, effective regulation depends upon the regulator having the flexibility to quickly address changing market practices and global conditions, by amending the rules rather than the primary legislation.

#### Background

3. Many public comments have been received, expressing concern over this definition being too wide and suggesting that the prohibition should only apply in respect of personal visits and telephone calls.
4. The cold-calling prohibition is designed to protect the interests of the investing public and to curtail improper selling techniques by intermediaries. The reason for not agreeing to limit the prohibition to personal visits and telephone calls is that other means of communication may be used also to pressure a person into investing. We must not focus on the current state of technology and the legislation must allow for and anticipate developments that would facilitate new ways of exerting unacceptable pressure. In the circumstances, we have deliberately defined “call” to be all encompassing and rely on the rule-making power in sub-clause (3)(d) to carve out types of calls which we believe do not exert unacceptable pressure and therefore should be permitted.
5. There are controls already built into the legislative system, whereby any rules made by the SFC must be subject to negative vetting by the Legislative Council. In addition, the SFC now releases the draft Rules for public consultation.

6. The SFC has used the FinNet communication network to send copies of this consultation document to registered dealers that have lodged their Financial Resources Rules returns electronically with the SFC via FinNet. In addition, copies of the consultation document are available free of charge at the SFC's office and can also be found on the SFC's Internet website at <http://www.hksfc.org.hk>.
7. The public is invited to submit comments before close of business on 19 November 2001 by sending them by fax to 2523-4598 or by mail or e-mail to the following address:

SFC Unsolicited Calls – Exclusion Rules  
12/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

or:

[unsolicited\\_calls\\_exclusion\\_rules@hksfc.org.hk](mailto:unsolicited_calls_exclusion_rules@hksfc.org.hk)

It should be stressed that the draft Rules must be read in conjunction with the Securities and Futures Bill itself.

8. To better ensure that our proposed Rules appropriately balance investor protection and general market practice, the SFC has formulated the draft Rules after consulting selected brokerage and lawyer firms. We wish to acknowledge and thank them for their invaluable input.

#### Policy Directions

9. A copy of the draft Rules is attached for reference. In short, the draft Rules exclude any unsolicited call that is a permissible communication where permissible communication is defined as any communication not made in the course of –
  - (i) a visit in person;
  - (ii) a telephone conversation; or
  - (iii) any other interactive dialogue in the course of which statements and responses to them are exchanged immediately,and give various examples to indicate when a communication is regarded as a permissible communication.
10. The draft Rules are modelled on the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001.

**SECURITIES AND FUTURES**  
**(UNSOLICITED CALLS - EXCLUSION) RULES**

**SECURITIES AND FUTURES (UNSOLICITED CALLS - EXCLUSION) RULES**

(Made by the Securities and Futures Commission  
under section 384(1) of the Securities and  
Futures Ordinance ( of 2001))

**1. Commencement**

These Rules shall come into operation on the day appointed for the commencement of Part VII of the Securities and Futures Ordinance ( of 2001).

**2. Interpretation**

In these Rules, unless the context otherwise requires -

"permissible communication" ( ) means a  
communication referred to in section 3;

"recipient" ( ) means a person to whom a communication is  
made or, in the case of a permissible communication, a  
person who reads or hears the communication;

*[based on Article 6(e) of the FSMA 2000 (Financial Promotion) Order 2001]*

the expressions "call" ( ) and "unsolicited call" ( ) have the respective meanings assigned to them in section 169(7) of the Ordinance.

### **3. Excluded unsolicited calls**

(1) For the purposes of section 169(3)(d) of the Ordinance, section 169 of the Ordinance does not apply to any unsolicited call that is a permissible communication.

*[based on Article 16(a) of the FSMA 2000 (Financial Promotion) Order 2001]*

(2) For the purposes of these Rules, a permissible communication is any communication not made in the course of -

(a) a visit in person;

(b) a telephone conversation; or

(c) any other interactive dialogue in the course of which statements and responses to them are exchanged immediately.

*[based on Article 8(1)&(2) of the FSMA 2000 (Financial Promotion) Order 2001]*

(3) For the purposes of these Rules, the following are regarded as among indications that a communication is a permissible communication -

- (a) the communication is made to more than one recipient in identical terms (save for details of the recipient's identity);
- (b) the communication is made by way of a system which in the normal course constitutes or creates a record of the communication which is available to the recipient to refer to at a later time;
- (c) the communication is made by way of a system which in the normal course does not require the recipient to respond immediately to it.

*[based on Article 7(5) of the FSMA 2000 (Financial Promotion) Order 2001]*

Chairman,  
Securities and Futures  
Commission

2001

**Explanatory Note**

These Rules are made by the Securities and Futures Commission under section 384(1) of the Securities and Futures Ordinance ( of 2001) for the purposes of section 169(3)(d) of the Ordinance. They exclude from the application of section 169 of the Ordinance (which prohibits the negotiation of certain agreements by intermediaries during unsolicited calls) any unsolicited call that is a permissible communication as defined in section 3 of the Rules.

**Consultation Document on the Draft Securities and  
Futures (Unsolicited Calls – Exclusion) Rules**

**Consultation Conclusion**

**Securities and Futures Commission  
Hong Kong**

**April 2002**



## **INTRODUCTION**

1. On 20 October 2001, the Securities and Futures Commission (“SFC”) released ‘ a Consultation Document on the draft Securities and Futures (Unsolicited Calls – Exclusion) Rules’ (“Consultation Document”). The Consultation Document contained proposed rules to regulate the unsolicited calls with a view to protect the interests of the investing public and to curtail improper selling techniques by intermediaries.
2. The consultation period lasted until 19 November 2001.
3. The purpose of this document is to provide interested persons with an analysis of the main comments raised during the consultation exercise and the rationale for the SFC’s conclusions. *This document should be read in conjunction with the Consultation Document.*

## **PUBLIC CONSULTATION**

### **Consultation process**

4. In addition to the public announcement inviting comments, the Consultation Document was distributed to all registered persons, various professional bodies and the Financial Services Bureau. The Consultation Document was also published on the SFC website.
5. Sessions were held with industry participants and their legal advisors during the consultation period to discuss their comments.
6. 14 submissions were received from practitioners including fund management firms, international brokerage firms, legal firms, industry representative bodies, professional associations and industry regulators. One submission was the survey result of its members conducted by the Hong Kong Securities Institute.
7. The overall tone of the comments was positive. Commentators generally welcomed the proposed rules. Comments varied considerably in range and depth, with some focusing on broad principles and others on points of detail and clarification.

### **Consultation conclusion**

8. While no change has been suggested in response to market comments, we consider it necessary to amend the original draft Rules set out in the Consultative Document after discussing the same with the Hong Kong Monetary Authority and upon our further deliberation.
9. In order to preserve the status quo in the existing Leveraged Foreign Exchange Trading (Calls) Rules whereby an authorized institution may make calls that comply with the Monetary Authority guideline, we have decided to insert a new clause 3(2)(b) to this effect.
10. Also, it is necessary to insert a new clause 3(1) to preserve the status quo in section 73(3)(a) of the Securities Ordinance so that the Rules will not apply to any agreement to sell securities of a corporation to a person who is already the holder of securities of that corporation.

### **SUMMARY OF COMMENTS AND SFC' S RESPONSES**

11. A summary of comments received on the draft Rules are set out in Attachment.

**Draft Securities and Futures (Unsolicited Calls – Exclusion) Rules  
Summary of comments received and SFC’s response**

	<b>Clause reference</b>	<b>Details of Exposure Draft of the Rules</b>	<b>Respondents’ comments</b>	<b>SFC’s response</b>
1.	General		[CMG Asia, Hong Kong Institute of Directors, HKSbA, Law Society and Institute of Securities Dealers] Indicate support or no comment.	Noted.
2.	-	Scope of the draft Rules	<p>[Clifford Chance] The draft Rules only make reference to excluding certain classes of calls from the general prohibition on unsolicited calls. Even though the SFC has the necessary rule-making powers under clause 169(3)(a)<sup>1</sup>, (b) &amp; (c) of the Bill, the draft Rules do not attempt to exclude:</p> <p>(a) calls made regarding certain types of agreement;</p> <p>(b) calls made by persons belonging to certain prescribed classes;</p> <p>(c) calls made on persons belonging to certain prescribed classes (such as professional investors).</p>	<p>Point taken. On reflection, clause 3 has omitted reference to contracts for the sale of securities of a corporation with a person who already holds securities of that corporation (as provided in section 73(3)(a) of the Securities Ordinance).</p> <p>We have added a new clause 3(1) so that for the purposes of clause 169(3) of the Securities and Futures Bill (“SF Bill”), clause 169 does not apply to any agreement to sell securities of a corporation to a person who is already the holder of securities of that corporation.</p>

<sup>1</sup> Note: Please refer to the derivation table at the end of this document for cross-references to the section and Schedule numbers of the Securities and Futures Ordinance as Gazetted on 28 March 2002.

	Clause reference	Details of Exposure Draft of the Rules	Respondents' comments	SFC's response
3.	-	As above	<p>[Clifford Chance] In addition, the following areas may also be addressed in the draft Rules:</p> <p>(a) the territorial scope of the unsolicited calls regime, in particular, calls made on recipients who are outside Hong Kong;</p> <p>(b) calls made by persons who are acting as “mere conduits” for information wholly devised by another person, e.g. internet service providers; and calls made on particular classes of recipients, for example, to expand the exemption for the “professional investors” class referred to in clause 169(2)(a)(i) of the SF Bill to introduce an exemption for “sophisticated investors”, being persons who are sufficiently experienced in matters relating to investments to understand the risks involved in the offer or making of, an agreement during, or as a consequence of, an unsolicited call.</p>	<p>Clause 169 of the SF Bill applies to calls made by intermediaries and their representatives whether in Hong Kong or elsewhere. Calls made to persons in or outside Hong Kong are equally covered.</p> <p>Clause 169 does not apply to “mere conduits”. Pure internet service providers are not included. However such persons should review clauses 114 and 114A and Part 2 of Schedule 6 to the SF Bill to consider whether they engage in any activity for which they are required to be authorized.</p> <p>The SFC has worked closely with an informal working group in assessing its stance towards “professional investors” and issued for consultation on 1 February 2002 draft Rules made for the purposes of paragraph (i) of the definition of “professional investor”. The effect of the proposed Securities and Futures (Professional Investor) Rules will be that additional classes of persons are regarded as professional investors for the purposes of, amongst other provisions, clause 169.</p>

	<b>Clause reference</b>	<b>Details of Exposure Draft of the Rules</b>	<b>Respondents' comments</b>	<b>SFC's response</b>
4.	-	As above	[Clifford Chance] There is a concern on whether there is an intention to provide an exemption from the prohibition on unsolicited calls in respect to a customer of a licensed or exempt dealer (whether existing and/or new) where such customer consents generally to receiving such calls.	Under clause 169(2)(a), an intermediary (which includes licensed persons or registered institutions) does not breach the prohibition in clause 169(1) by reason only of calling a person who is his existing client. That term is defined broadly in clause 169(7) to include a person who has entered into a client agreement with the intermediary during a period of 3 years immediately preceding the call and that agreement still subsists, or the intermediary has provided a service in a regulated activity to that person within the same period. Therefore, any such person who wishes to receive calls may enter into a client agreement with the intermediary or may initiate a call himself. In such cases, the prohibition would not be contravened.
5.	3 (3)	Under clause 169(3)(d) of the SF Bill, clause 169(1) of the SF Bill does not apply to any unsolicited call that is a permissible communication.	[Clifford Chance] The two terms "call" and "communication" were used interchangeably throughout the draft Rules (for example, section 3(3) as opposed to section 3(4)). There is no definition of the term "communication", it may be simpler to replace all occurrences of the word "communication" in the draft Rules by the word "call". This is unless the word "communication" has a particular meaning to be applied, in which case it may be helpful to provide an explanation in section 2 of the draft Rules.	We do not agree that the terms "call" and "communication" are used interchangeably. Clause 169 of the SF Bill uses the term "call", which is defined in subclause (7) as including a visit in person. In contrast, the draft Rules deal with a class of calls which are described as "permissible communications" and that term is defined in clauses 2 and 3(3) of the draft Rules to exclude, among others, a visit in person. The term "communication" is not defined either in clause 169 of the SF Bill or in the draft Rules because it bears its ordinary meaning.

	Clause reference	Details of Exposure Draft of the Rules	Respondents' comments	SFC's response
6.	3(3)	As above	[Prudential Assurance Company] The draft Rules exclude the "permissible communication" from the application of clause 169(1) of the SF Bill. This allows reasonable flexibility in conducting prospecting activities; mass marketing campaigns in particular.	Agreed, that was the policy intention.
7.	3(3)	"For the purposes of these Rules, a permissible communication is any communication not made in the course of : –  (a) a visit in person;  (b) a telephone conversation; or  (c) any other interactive dialogue in the course of which statements and responses to them are exchanged immediately." "	[Clifford Chance] There may be conflict in a number of cases between section 3(3) of the draft Rules, which excludes certain calls from the scope of "permissible communication", and section 3(4) of the draft Rules, which then provides examples of indications as to what a permissible communication in fact is.  An illustration would be a conference call (or video conference) in which the communication of one speaker is made to or directed at more than one recipient in identical terms (satisfying section 3(4)) should not be treated any differently from a non-interactive presentation made by a speaker in person (section 3(3)).	We do not agree that there is room for conflict between clause 3(3) and clause 3(4) as the two must be read together. In the example given, the communication would be made in the course of an interactive dialogue and thus be excluded under clause 3(3)(c).
8.	3(4)	As above	[Other respondent <sup>2</sup> ] Clarification may be needed to state whether all items (a) to (c) must apply before qualifying as a	We have clarified the drafting slightly in order to make it as clear as possible that these are alternative not cumulative

<sup>2</sup> The respondent has not given consent to disclose its identify.

	Clause reference	Details of Exposure Draft of the Rules	Respondents' comments	SFC's response
			<p>“permissible communication”.</p> <p>Otherwise, item (a) alone may encourage people to make any cold call and this may be classified as permissible communication.</p>	provisions.
9.	3(3)	As above	[Other respondent <sup>2</sup> ] Section 3(2)(a)&(c) are commonly used means for effective marketing including in the insurance industry, but the draft Rules do not accept these means as permissible communications.	The purpose of the draft Rules is to curtail pressure-selling tactics that might be utilized in the course of calls prescribed as not being permissible. We consider that such prohibitions do not prevent the effective marketing or promotion of products and services to which clause 169(1) of the SF Bill applies, provided that such promotion does not constitute an attempt to induce another person to enter into an agreement under clause 169(1).
10.	3(3)	As above	[Other respondent <sup>2</sup> ] The SFC should clarify that section 3(3)(c) does not restrict using devices with immediate responding function at the customer's choice, e.g. Short Messaging Services, Two Way Pagers, Internet Messaging Systems, etc.	Clause 169 would not apply where the intermediary provides an interactive voice response system to callers so that they can dial in and ask for information about securities/futures etc.. Clause 169 does not prohibit any type of client-initiated calls at all.
11.	3(4)	"Without limiting the generality of subsection (3), the following are regarded as among indications that a communication	[Other respondent <sup>2</sup> ] It is recommended that all of items 3(4)(a) to (c) must be met to constitute a permissible communication and only item 3(4)(a) could not constitute	We take the view that making subparagraphs (a) to (c) cumulative would be unduly restrictive and limiting for the industry. The intention behind clause 3(4) is to provide an

	Clause reference	Details of Exposure Draft of the Rules	Respondents' comments	SFC's response
		<p>is a permissible communication:-</p> <ul style="list-style-type: none"> <li>(a) the communication is made to more than one recipient in identical terms (save for details of the recipient's identity);</li> <li>(b) the communication is made by way of a system which in the normal course constitutes or creates a record of the communication which is available to the recipient to refer to at a later time;</li> <li>(c) the communication is made by way of a system which in the normal course does not require the recipient to respond immediately to it."</li> </ul>	<p>a permissible communication.</p>	<p>indication of the factors that will enable an intermediary to determine that a particular kind of communication is allowed.</p>



	<b>Clause reference</b>	<b>Details of Exposure Draft of the Rules</b>	<b>Respondents' comments</b>	<b>SFC's response</b>
12.	3(4)	As above.	<p>[Consumer Council] Constant reviews should be carried out to observe whether or not permissible communications may have exerted unacceptable pressure or nuisance to the public.</p> <p>In addition, the SFC should keep records of complaints.</p>	<p>We shall continuously keep under review any need to tighten or relax the definition of "permissible communications".</p> <p>We agree. It is the SFC's practice to keep records of complaints made to it, and this will include complaints of the sort described.</p>

**Derivation Table:**

<u>Clause/Schedule in the Securities and Futures Bill</u>	<u>Section/Schedule in Securities and Futures Ordinance</u>
114	114
114A	115
169	174
Schedule 6	Schedule 5

## Details of Submissions Referred to in the Comments Table

Date received	Respondent
19 November 2001	Clifford Chance
15 November 2001	CMG Asia
26 November 2001	Consumer Council
27 November 2001	Hong Kong Institute of Directors
16 November 2001	Hong Kong Stockbrokers Association
14 November 2001	The Law Society of Hong Kong
19 November 2001	The Prudential Assurance Company Limited
20 November 2001	The Institute of Securities Dealers Ltd

*[Of the 14 submissions received, 6 of the respondents have not given consent to have their identity disclosed. Their submissions were respectively received on 6 November 2001, 12 November 2001, 13 November 2001, 14 November 2001, 16 November 2001 and 19 November 2001.]*