

March 15, 2002

Mr. SIN Chung Kai  
Chairman  
Subcommittee on Draft Subsidiary Legislation  
To be Made Under the Securities and Futures (Ordinance)  
3/F, Citibank Tower  
3 Garden Road, Central  
HONG KONG

*By fax and post*

Dear Mr. Sin,

Re : Draft Subsidiary Legislation To be Made Under  
the Securities and Futures (Ordinance)

It is my understanding that there would be a close door meeting to be held later today by the Chairman and Deputy Chairman of the Subcommittee with the Administration on the captioned subject.

In view of the significance of the captioned subsidiary legislations to the industry of which I represent, I wish to draw your attention to the following:

1. the Administration should provide a proper time table and procedure for which the subsidiary legislation would be introduced, including :
  - the set up of proper working group before issuing the consultation paper for public consultation,
  - a proper and sufficient time for public consultation,
  - a fully documented report on the result of the public consultation with full response to industry and other comments/suggestions, and
  - the revised draft subsidiary legislation for the subcommittee to scrutinize;
2. the Administration should provide us with the relevant paper with sufficient lead time before the meeting(s);

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3. there should be sufficient time to scrutinize the subsidiary legislations.

In addition to the subsidiary legislations that are to be made for commencement of the new legislation, there are some 18 Non-statutory Codes and Guidelines as well (Appendix III and Appendix IV of the Report of the Bills Committee on Securities and Futures Bill and Banking (Amendment) Bill 2000 (“SFB”). Although they are not statutory in nature, the Codes and Guidelines do form an important part of the SFB. I would appreciate it very much if the Subcommittee could also ask the Administration to carry out points 1 and 2 above and that the Subcommittee could also consider seriously in handling the 18 sets of the Codes and Guidelines as well.

Thank you very much for your kind attention, consideration, and assistance.

Yours sincerely,

Henry K. C. Wu

c.c. Clerk to the Subcommittee

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