

LN203-E

L.N. 203 of 2002

Securities and Futures (Associated Entities---
Notice) Rules

(Made by the Securities and Futures Commission under section 397(1)
of the Securities and Futures Ordinance (Cap. 571))

1. Commencement

These Rules shall come into operation on the day appointed for the commencement of the Securities and Futures Ordinance (Cap. 571).

2. Interpretation

(1) In these Rules, "CE number" (中央編號) means the central entity identification number assigned by the Commission to a licensed person or a registered institution which is shown, in relation to each licence or registration, on the register maintained under section 136 of the Ordinance.

(2) Where an associated entity that becomes or ceases to be such associated entity is an authorized financial institution, a requirement in these Rules for it to provide particulars to the Commission shall not be construed as a requirement to provide particulars relating to its business other than that of receiving or holding client assets of any intermediary of which it is an associated entity.

3. Particulars to be notified on becoming an
associated entity

(1) For the purposes of section 165 of the Ordinance, the particulars required to be provided to the Commission in the event that a licensed corporation or a registered institution becomes an associated entity of an intermediary are---

- (a) its name and business name (if different);
- (b) its CE number;
- (c) the date it became an associated entity of the intermediary; and
- (d) the name of the intermediary.

(2) For the purposes of section 165 of the Ordinance, the particulars required to be provided to the Commission in the event that a corporation other than a licensed corporation or a registered institution becomes an associated entity of an intermediary are---

- (a) its name and business name (if different);
- (b) the date and place of its incorporation;
- (c) the address of its registered office;
- (d) the address of its principal place of business in Hong Kong (if any);
- (e) its correspondence address;

- (f) its telephone and facsimile numbers, electronic mail address (if any) and web site address (if any);
- (g) the date it became an associated entity of the intermediary;
- (h) the name of the intermediary;
- (i) whether it has any executive officers and, if so, the following particulars of each of the executive officers---
 - (i) the name of the executive officer;
 - (ii) the Hong Kong identity card number of the executive officer or, if he is not the holder of such an identity card, the number, the name of the issuing agency and the date of expiry of his passport, travel or other document issued by a competent government agency providing proof of identity;
 - (iii) his residential address in Hong Kong (if any); and
 - (iv) his correspondence address;
- (j) the following particulars of each person who is its controlling entity---
 - (i) the name of the person;
 - (ii) where the person is an individual---
 - (A) his Hong Kong identity card number or, if he is not the holder of such an identity card, the number, the name of the issuing agency and the date of expiry of his passport, travel or other document issued by a competent government agency providing proof of identity;
 - (B) his residential address in Hong Kong (if any); and
 - (C) his correspondence address; and
 - (iii) where the person is a corporation---
 - (A) if it is registered under the Business Registration Ordinance (Cap. 310), its business registration number;
 - (B) the address of its principal place of business in Hong Kong (if any); and
 - (C) its correspondence address;
 - (k) the address of each of the premises where books and records relating to client assets of the intermediary, which are received or held by it in Hong Kong, are kept;
 - (l) the facts that gave rise to the corporation becoming an associated entity of the intermediary;
 - (m) subject to subsection (3), whether it is aware of the existence of any matter that might render it insolvent or lead to the appointment of a liquidator; and
 - (n) subject to subsection (3), the following particulars in respect of any bank account of it that holds, or that has been opened to hold, client assets of the intermediary that are received or held by it in Hong Kong---
 - (i) the name of the bank with which the account is opened; and
 - (ii) the number of the account.

(3) Where an associated entity that becomes such associated entity is an authorized financial institution, subsection (2)(m) and (n) does not apply to it.

4. Particulars to be notified on ceasing to be an associated entity

(1) For the purposes of section 165 of the Ordinance, the particulars required to be provided to the Commission in the event that a licensed corporation or a registered institution ceases to be an associated entity of an intermediary are--

- (a) its name and business name (if different);
- (b) its CE number;
- (c) the date it ceased to be an associated entity of the intermediary; and
- (d) the name of the intermediary.

(2) For the purposes of section 165 of the Ordinance, the particulars required to be provided to the Commission in the event that a corporation other than a licensed corporation or a registered institution ceases to be an associated entity of an intermediary are---

- (a) the date it ceased to be an associated entity of the intermediary;
- (b) the name of the intermediary;
- (c) whether all client assets of the intermediary that are received or held by it prior to its ceasing to be such associated entity have been fully accounted for and properly disposed of and, if not, the particulars of any such client assets of the intermediary that have not been fully accounted for and properly disposed of; and
- (d) the facts that gave rise to the corporation ceasing to be an associated entity of the intermediary.

(3) Where an associated entity that ceases to be such associated entity is an authorized financial institution, subsection (2)(c) does not apply to it.

Andrew Len Tao SHENG

Chairman,

Securities and Futures Commission

2 December 2002

Explanatory Note

These Rules are made by the Securities and Futures Commission ("the Commission") under section 397(1) of the Securities and Futures Ordinance (Cap. 571) ("the Ordinance"). They prescribe, for the purposes of section 165 of the Ordinance, the particulars that an associated entity of an intermediary must provide under that section of the Ordinance to the Commission by notice in writing when it becomes or ceases to be such associated entity.