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(Re - circulated)

OICV-IOSCO

Organización Internacional de Comisiones de Valores
International Organisation of Securities Commissions
Organisation internationale des commissions de valeurs
Organizaçào Internacional das Comissões de Valores

12 January 2005

Ms. Edna Wong
Principal Assistant Secretary for Financial Services
and the Treasury (Financial Services)
Government of the Hong Kong Special
Administrative Region
18th Floor
Admiralty Centre Tower 1
18 Harcourt Road
Hong Kong

Subject: Proposed Legislative Changes Concerning the Hong Kong Securities and Futures Commission Governance

Dear Ms. Wong,

We have received your letter dated 8 January 2005 concerning the above mentioned subject.

IOSCO has endorsed in 1998 a comprehensive set of *Objectives and Principles of Securities Regulation* (IOSCO Principles) and has encouraged all its members to implement them in their respective jurisdictions. The IOSCO Principles are sufficiently broad to be adapted to all existing domestic contexts and, in particular, provide some flexibility with respect to the governance structure of securities regulators.

Each IOSCO member is responsible for designating the persons who act as its representatives during IOSCO meetings, including the person who acts as head of its delegation. Other IOSCO members obviously assess the level and authority of these representatives and take decisions, in part based on this assessment. The international credibility of an IOSCO member regulator is no doubt related to that of its representatives and to their ability and authority to provide strong input to the critical work undertaken within the Organization.

The appointment of the IOSCO Technical Committee Chairman is a personal appointment based on the recognized experience and authority of the appointee. Mr. Andrew Sheng is the current Chairman of the Technical Committee. Should Mr. Sheng resign his current position as Chairman of the Hong Kong Securities and Futures Commission, the members of the Technical Committee would need to appoint a new Technical Committee Chairman.

Sincerely yours,

Philippe Richard
Secretary General

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