

## Press Release

Appointment of Chairman of the Securities and Futures Commission

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The Chief Executive has approved the appointment of Mr Martin Wheatley as the new Chairman of the Securities and Futures Commission (SFC) for a term of three years from October 1, 2005 to September 30, 2008. The appointment is made under section 1, Part 1 of Schedule 2 to the Securities and Futures Ordinance (Cap. 571).

Mr Wheatley is currently the Executive Director (Supervision of Markets) of the SFC, responsible mainly for facilitating market development, supervising and monitoring activities of the Hong Kong Exchanges and Clearing Limited and its exchanges and clearing houses. Prior to joining the SFC in June 2005, Mr Wheatley had worked for the London Stock Exchange (LSE) for 18 years from 1985 to 2004 and was the Deputy Chief Executive since 2001, responsible for a wide range of functions including corporate strategy, system development, regulatory policy, market development and corporate communications.

Mr Wheatley was selected through a world-wide search by a selection panel chaired by the Financial Secretary. The selection panel conducted a global and open recruitment exercise from April to this month to consider and identify a suitable candidate for recommendation to the Chief Executive for appointment as executive Chairman of the SFC. Other members of the selection panel include the Honourable Jasper Tsang Yok-sing, Mr Charles Lee, Mr Christopher Cheng, Mr Marvin Cheung and Secretary for Financial Services and the Treasury, Mr Frederick Ma. After thorough consideration, the selection panel reached a unanimous decision that Mr Wheatley was the best qualified candidate for the post.

Speaking on the appointment today (September 30), the Financial Secretary Mr Henry Tang, who chairs the selection panel, said, "Mr Wheatley has extensive experience in the operation and regulation of the securities industry. We are confident that Mr Wheatley will continue to develop the SFC as a world-class regulator and reinforce Hong Kong's position as an international financial centre."

Mr Wheatley will assume the role of executive Chairman under the existing legal provisions of the SFO but that of Chief Executive Officer (CEO) upon the passage and commencement of the Securities and Futures (Amendment) Bill 2005. The total period of his appointment to these two posts is three years until September 30, 2008. The Bill, which has been introduced into the Legislative Council in April this year, seeks to enhance the internal governance of the SFC by splitting the current executive Chairman post into a Chairman post and a Chief Executive Officer (CEO) post. The Bill is currently being considered by the Bills Committee of the Legislative Council. Subject to the passage of the Bill, the Government will appoint a new Chairman and Mr Wheatley will assume the position of CEO.

Mr Tang also paid tribute to the outgoing Chairman, Mr Andrew Sheng. "We are grateful to Mr Sheng for his dedicated service to the SFC for the past seven years. The leadership, professionalism and commitment of Mr Sheng have enabled the SFC to perform its functions effectively and helped consolidate Hong Kong's position as an international financial centre. Mr Sheng was instrumental to the smooth transition of the SFC into the new regulatory regime under the Securities and Futures Ordinance."

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