

香港特別行政區政府
財經事務及庫務局
財經事務科
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FINANCIAL SERVICES BRANCH
FINANCIAL SERVICES AND
THE TREASURY BUREAU
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本函檔號 OUR REF.:

來函檔號 YOUR REF.:

8 January 2005

**BY FAX (34-91-555-93-68)
AND BY POST**

Mr Philippe Richard
Secretary General
International Organisation of Securities
Commissions
C/ Oquendo 12
28006 Madrid
Spain

Dear Mr Richard,

Hong Kong Securities and Futures Commission

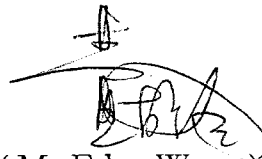
The Government of the Hong Kong Special Administrative Region is considering turning the chairman of the Hong Kong Securities and Futures Commission (HKSF) into a non-executive position which maintains overall responsibility for the organisation with particular emphasis on strategic positioning and overall direction, whilst leaving the day-to-day operational matters to the executive team. The executive arm of the HKSF will be headed by a chief executive officer (CEO). This will be similar to the model adopted by the Financial Services Authority of the United Kingdom. The non-executive chairman would spend as much time as needed to fulfil his/her role and responsibilities, hence a non-executive chairman is not the same as a part-time chairman. A discussion paper prepared by the Administration for our legislature is attached for your reference.

In drawing up the proposal, we would like to seek the advice of the International Organisation of Securities Commissions (IOSCO) on the following -

- (a) if the IOSCO or its Technical Committee has discussed on whether and how the chairman post of a regulatory body of the securities and futures industry should be split for the purpose of enhancing its governance structure; and
- (b) we note that all chairmen of members of the Technical Committee have so far been taken up by executive chairman. If the chairman of a member of IOSCO is to become non-executive, would he / she be ineligible to serve as the chairman of IOSCO's Technical Committee due to the nature of the post (i.e. non-executive) if his / her other qualifications for the IOSCO's Technical Committee are judged by members to be suitable? What are the criteria for IOSCO in selecting chairman to its Technical Committee?

As we are required to report to our legislature on the views of IOSCO on the above aspects by early February 2005, I would be most grateful if you could let me have your advice by **31 January 2005**. Thank you.

Yours sincerely,



(Ms Edna Wong)

Principal Assistant Secretary for Financial Services and
the Treasury (Financial Services)
Government of the Hong Kong Special Administrative Region

C.C.

Clerk to the Financial Affairs Panel of Legislative Council
(Attn: Ms Rosalind Ma) (Fax: 2869 6794) – w/o enclosure

Chairman of the Securities and Futures Commission Hong Kong
(Attn: Mr Andrew Sheng) (Fax: 2845 9553) – w/o enclosure