

立法會
Legislative Council

LC Paper No. LS72/07-08

**Paper for the House Committee Meeting
on 18 April 2008**

**Legal Service Division Report on
Subsidiary Legislation Gazetted on 11 April 2008**

Date of tabling in LegCo : 16 April 2008

Amendment to be made by : 14 May 2008 (or 4 June 2008 if extended by resolution)

**Airport Authority Ordinance (Cap. 483)
Airport Authority Ordinance (Map of Restricted Area) Order (L.N. 73)**

This Order specifies the new boundaries of the Restricted Area for the purposes of the Airport Authority Ordinance (Cap. 483) and replaces the existing Airport Authority Ordinance (Map of Restricted Area) (No. 2) Order 2006 (Cap. 483 sub. leg. K).

2. The Panel on Economic Development has not been consulted on the Order.
3. The Order will come into operation on 5 June 2008.

**Securities and Futures Ordinance (Cap. 571)
Securities and Futures (Contracts Limits and Reportable Positions) (Amendment) Rules 2008 (L.N. 74)**

4. Under section 35(1) of the Securities and Futures Ordinance (Cap. 571), the Securities and Futures Commission (the Commission) may prescribe limits on the number of futures contracts that may be held or controlled by any person. The Commission may also prescribe the reportable positions in respect of such contracts.
5. Such limits and reportable positions are established and fixed for the futures contracts specified in Schedule 1 to the Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap. 571 sub. leg. Y) (the Principal Rules). Section 6 of the Principal Rules requires a person who holds or controls a reportable position to lodge a notice in writing of that reportable position with the recognized

exchange company concerned within a prescribed period of time. The Amendment Rules amends Schedule 1 to the Principal Rules by—

- (a) repealing item 5 and replacing it with a new item 5 which combines the prescribed limits of standard H-shares index futures contracts and options contracts and Mini H-shares Index futures contracts into an aggregate delta limit of 12,000 applicable to all H-shares Index futures contract months and options series; and providing for a specific position delta limit of 2,400 long or short (for all contract months combined) for Mini H-shares Index futures contracts. The new item 5 also sets a reporting level of 2,500 open contracts (for any one contract month) for Mini H-shares Index futures contracts. The reporting level for H-shares Index futures contracts and options contracts remains unchanged at 500 open contracts; and
 - (b) adding a new item 5A to set the prescribed limit for Hang Seng China H-Financials Index futures (HFIF) contract at a prescribed limit of 10,000 long or short position delta limit for all contract months combined and a reporting level of 500 open contracts (for any one contract month).
6. Members may refer to the LegCo Brief (without file reference on it) issued by the Commission on 8 April 2008 for background information.
 7. According to paragraph 5 of the LegCo Brief, exchange participants and the Derivatives Market Consultative Panel of the Hong Kong Exchanges and Clearing Ltd. were consulted before the launching of HFIF contracts and Mini H-shares Index futures contracts, and the position limits and reporting levels of the two contracts were determined after taking into account their views and comments.
 8. The Panel on Financial Affairs has not been consulted on the Amendment Rules.
 9. The Amendment Rules will come into operation on 5 June 2008.
 10. No difficulties in relation to the legal or drafting aspect of the above items of subsidiary legislation have been identified.

Prepared by

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