L.N. 121 of 2008

SECURITIES AND FUTURES (LEVY) (AMENDMENT) ORDER 2008

(Made by the Chief Executive in Council under section 394 of the Securities and Futures Ordinance (Cap. 571))

1. Commencement

This Order shall come into operation on 12 July 2008.

2. Interpretation

(1) Section 2 of the Securities and Futures (Levy) Order (Cap. 571 sub. leg. Z) is amended by repealing the definitions of "exchange traded fund", "exchange traded funds market maker", "pilot programme", "pilot programme market maker" and "pilot programme securities".

(2) Section 2 is amended by adding—

"“Mini-Hang Seng China Enterprises Index Futures Contract” (小型恒生中國企業指數期貨合約) means a futures contract entitled "Mini-Hang Seng China Enterprises Index Futures Contract" for which the contract specifications are set out in the rules of the Futures Exchange Company;

"securities market maker permit" (證券莊家執照) means a permit which is issued to an exchange participant by the Stock Exchange Company in accordance with the rules of the Stock Exchange Company to carry out market making activities in respect of certain securities;".

3. Securities

Section 4 is amended by repealing "sections 5, 6 and 7" and substituting "sections 5 and 7A".

4. Pilot programme securities

Section 6 is repealed.

5. Exchange traded funds

Section 7 is repealed.

6. Section added

The following is added immediately before Part 3—

"**7A. Sale and purchase of securities by securities market maker permit holders**

For the purposes of section 394(1)(*a*) of the Ordinance, the levy payable for a sale or purchase of securities by an exchange participant is nil, if the exchange participant—

(*a*) holds a securities market maker permit in respect of the securities that is in force at the time of the sale or purchase; and

(*b*) makes the sale or purchase in the course of making a market for the securities.".

7. Mini-Hang Seng Index Futures Contracts and Mini-Hang Seng Index Options Contracts

(1) The heading of section 10 is amended by repealing "**and Mini-Hang Seng Index Options Contracts**" and substituting "**, Mini-Hang Seng Index Options Contracts and Mini-Hang Seng China Enterprises Index Futures Contracts**".

(2) Section 10 is amended by repealing "or a Mini-Hang Seng Index Options Contract" and substituting ", a Mini-Hang Seng Index Options Contract or a Mini-Hang Seng China Enterprises Index Futures Contract".

LAM Chik-ting, Tony
Clerk to the Executive Council

COUNCIL CHAMBER
6 May 2008

Explanatory Note

This Order amends the Securities and Futures (Levy) Order (Cap. 571 sub. leg. Z) ("the Order") to—

(*a*) exempt securities market maker permit holders from paying a levy to the Securities and Futures Commission under the Order in respect of the sale or purchase of securities in the course of making a market; and

(*b*) reduce the levy payable to the Securities and Futures Commission under the Order in respect of a sale and purchase of a Mini-Hang Seng China Enterprises Index Futures Contract, from $0.80 to $0.16.

2. The exemption previously granted to pilot programme market makers and exchange traded funds market makers is now replaced by the exemption mentioned in paragraph 1(*a*).