

立法會
Legislative Council

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Tel : 2869 9205

Date : 9 October 2008

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 22 October 2008

**Motion on
“Assisting the victims of the Lehman Brothers incident”**

Hon Jeffrey LAM Kin-fung has given notice to move the attached motion on “Assisting the victims of the Lehman Brothers incident” at the Council meeting of 22 October 2008. The President has directed that “it be printed in the terms in which it was handed in” on the Agenda of the Council.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion on
“Assisting the victims of the Lehman Brothers incident”
to be moved by Hon Jeffrey LAM Kin-fung
at the Legislative Council meeting
of Wednesday, 22 October 2008**

Wording of the Motion

“That, as a large number of investors have complained against the banks and securities companies using misleading marketing practices, which have led to their purchasing of financial products such as Lehman Minibonds without knowing the potential risks, resulting in their suffering substantial losses when the company went bankrupt; this incident has not only caused many members of the public to lose confidence in the above financial institutions, but has also seriously affected Hong Kong’s reputation as an international financial centre; in this connection, this Council urges the Government to immediately take the following actions:

- (a) using all possible means, including setting up an inter-departmental response team to assume overall responsibility for providing comprehensive assistance to affected small investors and protecting their interest;
- (b) expeditiously completing a comprehensive investigation into whether the distributors of Lehman Minibonds and related financial products have violated the relevant regulatory rules or guidelines, including whether these distributors have used improper sales practices to mislead the investors, if it is proved that they have violated the relevant rules or guidelines, the Government should pursue the matter and seek compensation on behalf of the victims;
- (c) supporting the Consumer Council to conduct a study of the suspected cases involving misleading practices and, where necessary, use the Consumer Legal Action Fund to seek compensation from the banks and securities companies concerned for the small investors;
- (d) demanding the authorities to urge the trustees and distributors concerned to appoint an independent notary agency to properly handle the assets of holders of Lehman Minibonds or related financial products, thereby providing the best protection for the interest of small investors; and

- (e) at the same time conducting an investigation into whether there is dereliction of duty on the part of the Hong Kong Monetary Authority and the Securities and Futures Commission in this incident, and making recommendations on how to improve the mechanism for monitoring the sales of financial products, strengthen the protection of investors' interests and prevent the recurrence of similar incidents.”