

Special House Committee of the Legislative Council

**Main points of the Opening Statement by
Martin Wheatley
Chief Executive Officer
Securities and Futures Commission**

13 October 2008

Honourable Chairman Miriam Lau, GBS, JP
Honourable Members of the House Committee

I would like to point out that:

- The SFC's regulatory focus is based on a two-pronged approach, that is, disclosure and conduct regulation.
- There are claims that the marketing materials regarding Lehman Brothers mini bonds are allegedly misleading. It has been made clear that investors should not rely solely on marketing materials or the name of any particular product to make investment decisions.
- As at last Friday (10 October), the SFC received around 2000 complaints. Investigations have been carried out in respect of the intermediaries in relations to the selling of Lehman Brothers mini bonds. While we are trying to process the complaints as soon as possible, it should be noted that these complaints are complex and it takes time to deal with them.
- We will be submitting our report to the Financial Secretary in December this year, in which we will identify whether any changes to the existing legal and regulatory framework should be made.

I shall be happy to answer any questions that the Honourable Members may have. Thank you.