



HONG KONG MONETARY AUTHORITY
香港金融管理局

SC Ref.No.SC(1)-M43

Arthur K. H. Yuen JP
Deputy Chief Executive

阮國恒 JP
副總裁

Our Ref: G14/64C
Your Ref: CB1/HS/1/08

24 May 2010

Miss Polly YEUNG
Clerk to Subcommittee to Study Issues Arising from
Lehman Brothers-related Minibonds and Structured Financial Products
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Miss YEUNG,

**Subcommittee to Study Issues Arising from Lehman Brothers-related
Minibonds and Structured Financial Products**

Thank you for your letter of 14 May 2010 requesting clarification of the weekly complaints statistics concerning Lehman-related investment products released by the Hong Kong Monetary Authority (HKMA). In response to items (a), (b) and (c) shown on the Appendix to your letter:

Response to (a):

The “proposed disciplinary notices” and the “disciplinary decision notices” (collectively, the “Notices”) referred to in the weekly complaints statistics concerning Lehman-related investment products released by the HKMA are either issued by the HKMA or the Securities and Futures Commission (SFC).

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For those Notices issued by the HKMA, they are issued pursuant to section 58A of the Banking Ordinance (in respect of relevant individuals) and section 71C of the Banking Ordinance (in respect of executive officers).

Response to (b):

The Notices referred to in the response to (a) above can be addressed to relevant individuals, executive officers or registered institutions depending on the circumstances of individual cases. As mentioned, the HKMA issues the Notices to relevant individuals or executive officers pursuant to the relevant provisions of the Banking Ordinance. On the other hand, the SFC issues the Notices to relevant individuals, executive officers or registered institutions pursuant to the relevant provisions of the Securities and Futures Ordinance.

Response to (c):

In respect of a Notice issued to a relevant individual or an executive officer, the bank which engages such a relevant individual or an executive officer (as the case may be) will not be notified and will not receive a copy of such a Notice.

Yours sincerely,

A handwritten signature consisting of a stylized, wavy line above a horizontal line with a vertical tick mark at the end.