



SECURITIES AND FUTURES COMMISSION 證券及期貨事務監察委員會

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Circular to all Issuers of Unlisted Retail Structured Products

Enhance Prospective Investors' Understanding of Structured Products

The SFC wishes to bring to the attention of unlisted, retail structured products issuers the findings of its Structured Product Investor Survey.

This survey finds that investors' understanding of structured products needs strengthening. Where sales representatives were involved, the survey respondents were generally satisfied with the product explanations provided. However, a significant number of investors did not recall receiving advice from their sales representatives. Those respondents who had difficulty in understanding their sales representatives' explanations commented that the sales representatives used too much jargon.

Issuers may wish to inform their selling agents and/or distributors of the findings of this survey. To facilitate prospective investors' understanding of structured products, the SFC requests that staff members of selling agents and/or distributors ensure that all purchasers of their products have a good understanding of the underlying risks. To achieve this they should also actively encourage prospective investors to ask questions and seek clarification where they are unclear as to any aspect of structured products being sold.

The report of key findings of the Structured Product Investor Survey is available at the SFC office and on the SFC website at www.sfc.hk under "Speeches, Publications & Consultation" – "Publications" – "Surveys and Reports".

Investor Education & Communications Department
Securities and Futures Commission