

SBCR 4/57/581/76 Pt. 27

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5 November 2008

Mr Raymond Lam  
Clerk to Security Panel  
Legislative Council  
3<sup>rd</sup> Floor, Citibank Tower  
3 Garden Road  
Hong Kong

Dear Mr Lam,

**Panel on Security**

**Follow up to the Panel Meeting on 21 October 2008**

At the meeting of the Panel on Security held on 21 October 2008, a Member requested the Administration to provide the number of complaints received by the Police in respect of Lehman Brothers-related structured products, the number of cases under investigation and the number of cases with a prima facie crime element requiring further investigation.

As at 3 November 2008, the Commercial Crime Bureau of the Police received 4 241 cases of complaints in respect of Lehman Brothers-related structured products. The Police are conducting preliminary assessment on these complaint cases. 81 of these complaint cases are suspected to involve improper practices of banks or securities companies in selling Lehman Brothers-related structured products. The Police have referred the cases in question to the Hong Kong Monetary

Authority and the Securities and Futures Commission in the first instance for appropriate follow-up actions. The Police will continue with the preliminary assessment process, and will conduct further investigation into those cases that might involve criminal offences and will seek legal advice from the Department of Justice on individual cases where necessary. If there is evidence of criminal elements in any cases, the Police will take prosecution action in accordance with the law.

I should be grateful if you would bring the above to the attention of Members.

Yours sincerely,

( Apollonia Liu )  
for Secretary for Security