

**Bills Committee on Securities and Futures and Companies Legislation
(Structured Products Amendment) Bill 2010**

**Follow-up actions to be taken by the Administration and the Securities and
Futures Commission in response to members' requests made at the meeting
on 16 December 2010**

1. To consider the suggestion of including a standard statement to explain the risks of being treated as a "professional investor" in the relevant declaration form to be signed by investors, and provide the Bills Committee with a sample of the statement.
2. To provide a quantitative analysis of each of the currency-linked, interest rate-linked and currency and interest rate-linked instruments (ILCL instruments) issued and/or sold by Authorized Institutions (AIs), including but not limited to the respective market shares of the aggregate of AIs incorporated in Hong Kong and that of those incorporated outside Hong Kong in terms of monetary value and percentage.
3. To provide a comparison between the regulatory actions taken by the Hong Kong Monetary Authority (HKMA) on the sale of unlisted investment products by AIs before and after the Lehman Brothers Minibonds Incident, including details of the number and frequency of on-site examinations, off-site reviews and mystery shopper checking, and the number and rank of officers deployed in the work.
4. To provide information on the practices of other comparable jurisdictions regarding the requirement on intermediaries to make audio recordings of the sales process and ancillary arrangements.
5. To provide details of the existing regulatory arrangements to deal with situations where an intermediary (including an Authorized Institution) has a potential or actual conflict of interest in providing services in relation to investment products, and an update on the progress of the review of the arrangements.