

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

**Practices of Other Comparable Jurisdictions regarding the Requirement on  
Intermediaries to make Audio Recordings of the Sales Process**

**Purpose**

This paper provides information on the practices of other comparable jurisdictions regarding the requirement on intermediaries to make audio recordings of the sales process and ancillary arrangements.

**Practices in Other Jurisdictions**

2. We have researched into the audio recording requirements of some major overseas jurisdictions, namely the US, the UK and Australia, and noted that audio recording of the sales process is generally not mandatory in these jurisdictions although this may be required under specific circumstances such as order placement.

3. For example, in the US, the Financial Industry Regulatory Authority only requires those member firms that employ five or more staff who have previously been subject to disciplinary actions to implement audio-recording for investor's order placement. In Australia, audio-recording is regarded as an alternative to recording of advice in writing. In the UK, the Financial Services Authority requires firms to use audio-recording to record client's order in the equity, bond and financial commodity and derivatives markets.

**Financial Services and the Treasury Bureau  
Securities and Futures Commission  
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