

香港特別行政區政府  
財經事務及庫務局  
財經事務科  
香港夏愨道十八號  
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FINANCIAL SERVICES BRANCH  
FINANCIAL SERVICES AND  
THE TREASURY BUREAU  
GOVERNMENT OF THE HONG KONG  
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**CB(1)527/11-12(02)**

5 December 2011

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本函檔號 OUR REF.: SUB/12/2/2/5  
來函檔號 YOUR REF.:

Ms Anita Sit  
Clerk to Bills Committee on Securities  
and Futures (Amendment) Bill 2011  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear Ms Sit,

**Bills Committee on Securities and Futures (Amendment) Bill 2011  
Follow-up to meeting on 24 November 2011**

Thank you for your letter of 28 November 2011.

In response to item (a) in the list of follow-up action attached to your letter, the Securities and Futures Commission has prepared the paper at Annex.

On item (c), we will move a Committee Stage Amendment (CSA) to add a provision to the Bill to clarify that the notes under the proposed sections 307A(2) and 251(1) are for information only and have no legislative effect.

As regards items (d), there is no time limit for institution of proceedings in the Market Misconduct Tribunal under the proposed section 307I.

As regards item (e), at the last meeting, Members enquired about the purpose of applying the restriction under the proposed section

307L(1)(b) to proceedings “**brought by**” the person. An example of the application of the subsection is illustrated in the scenario set out as follows: Person A gave evidence at or for the purpose of a disclosure proceeding. Subsequently, Person A lodges a civil claim, unrelated to the giving of evidence at or for the purpose of the disclosure proceeding, against Person B. If Person B makes a counterclaim against Person A in the same civil action, under the proposed section 307L(1)(b), Person B cannot use the evidence given by Person A at or for the purpose of the disclosure proceeding as evidence in the counterclaim against Person A. The proposed section 307L(1) mirrors the existing section 255(1) of the Securities and Futures Ordinance.

On item (b), we will revert to the Committee as soon as possible.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Anthony Li', written in a cursive style.

( Anthony Li )

for Secretary for Financial Services  
and the Treasury