



SECURITIES AND FUTURES COMMISSION

證券及期貨事務監察委員會

8th Floor, Chater House, 8 Connaught Road Central, Hong Kong
香港中環干諾道中八號遮打大廈八樓

26 September 2011

Our Ref: 126/LG/5000/1610
Your Ref: LS/S/41/10-11

Ms. Wendy Kan
Assistant Legal Adviser
Legal Service Division
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central

By Hand & By Fax (2877 5029)

Contact: Nina Lau
Tel No.: 2283 6868

Dear Ms. Kan,

Re: Securities and Futures (Professional Investor) (Amendment) Rules 2011

I refer to your letter of 22 September 2011 to our Ms. Alexandra Yeong regarding the Securities and Futures (Professional Investor) (Amendment) Rules 2011 (L.N. 135 of 2011) which propose to amend section 3 of the Securities and Futures (Professional Investor) Rules (Cap. 571 sub. leg. D) ("Rules"). Please see below our responses to your queries raised in your letter. The paragraph references in this letter correspond to those in your letter.

1. Section 3(1)

- (a) We would like to retain "信託人" which is consistent with the original translation of "trustee" in section 3(a) of the Rules. We only propose to extend section 3(a) of the Rules to prescribe that a trust corporation is a professional investor if it has been entrusted with the required assets at the relevant date, whilst preserving the existing methods of evidencing such assets. Hence, we would like to keep the original translation of section 3(a) unchanged to the extent possible.
- (b) We would like to retain "總資產" which is consistent with the original translation of "total assets" in section 3(a) of the Rules. Also, "總資產值" refers to the dollar amount as stated in or ascertained by referring to one or more of the specified financial statements or custodian statements (as the case may be), while "總資產" refers to the assets. Again, we would like to keep the original translation of section 3(a) unchanged to the extent possible.



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2. Sections 3(3) and 3(4)

We are of the view that the translation should remain unchanged. Please see our responses in paragraph 1(b) above.

3. Section 3(5)

The relative pronoun of “who” follows the word “individual”. We do not think that it is appropriate to add another relative pronoun before “falls within the description in paragraph (b)”. We only propose to extend section 3(d) of the Rules to prescribe additional types of corporations as high net worth professional investors, whilst preserving the existing type of corporations that already falls within the original description in section 3(d) of the Rules. Hence, we would like to keep the original provision of section 3(d) unchanged to the extent possible.

If you have any further questions, please do not hesitate to contact me.

Yours sincerely,

Nina Lau
Counsel
Legal Services Division

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Encl. Chinese translation of this letter