

Panel on Financial Affairs

Follow-up actions arising from the meeting on 6 January 2012

Proposal of the Securities and Futures Commission for a short position reporting regime

In relation to Hon CHIM Pui-chung's concern about short selling activities, the Administration and the Securities and Futures Commission are requested to provide the following information:

- (a) based on the monetary value of short selling transactions, the respective percentages of the short selling transactions handled by the three broad categories of stock exchange participant brokers (please also provide brief explanation on the categorization of stock exchange participant brokers);
- (b) the benefits of short selling for the Hong Kong stock market and investors; and
- (c) the channels through which shares may be borrowed before placing a short selling order on the Stock Exchange of Hong Kong for execution.

Council Business Division 1
Legislative Council Secretariat
1 February 2012