

L.N. 45 of 2012

**Securities and Futures (Offences and Penalties)
(Amendment) Regulation 2012**

(Made by the Chief Executive in Council under section 398(6) of the Securities and Futures Ordinance (Cap. 571))

1. Commencement

This Regulation comes into operation on 18 June 2012.

2. Securities and Futures (Offences and Penalties) Regulation amended

The Securities and Futures (Offences and Penalties) Regulation (Cap. 571 sub. leg. AH) is amended as set out in section 3.

3. Schedule amended

The Schedule, after item 4—

Add

“5. Rule 4(2) of the Securities and Futures (Short Position Reporting) Rules (L.N. 48 of 2012)

On conviction on indictment, a fine at level 6 and imprisonment for 2 years

On summary conviction, a fine at level 3 and imprisonment for 6 months

6. Rule 4(4) of the Securities and Futures (Short Position Reporting) Rules (L.N. 48 of 2012)
- On conviction on indictment, a fine at level 6 and imprisonment for 2 years
- On summary conviction, a fine at level 3 and imprisonment for 6 months”.

Manda CHAN
Clerk to the Executive Council

COUNCIL CHAMBER

13 March 2012

Explanatory Note

Under rule 4(2) and (4) of the Securities and Futures (Short Position Reporting) Rules (L.N. 48 of 2012) (*the Rules*), a person who has a reportable short position in specified shares on a reporting day is required to notify the Securities and Futures Commission (*Commission*) of the short position on or before the reporting deadline for the reporting day. Under rule 4(1) and (2) of the Rules, the reporting day is the last trading day of each week and a reportable short position must be reported within 2 business days after the reporting day. Under rule 4(3) and (4) of the Rules, if a notice requiring daily reporting is in force, every trading day is a reporting day and a reportable short position must be reported within 1 business day after the reporting day.

2. This Regulation amends the Schedule to the Securities and Futures (Offences and Penalties) Regulation (Cap. 571 sub. leg. AH) by providing that a person who, without reasonable excuse, fails to notify the Commission as required by the Rules commits an offence, and is liable on conviction, to a fine and imprisonment specified in the Schedule.