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財經事務及庫務局
財經事務科
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本函檔號 OUR REF.:

來函檔號 YOUR REF.:

24 February 2015

Ms Angel Shek
Clerk to Panel on Financial Affairs
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Ms SHEK,

**Legislative Council Panel on Financial Affairs
Follow-up to policy briefing cum meeting on 2 February 2015**

Thank you for your letter of 4 February 2015.

We note the suggestion of a member of the Panel to relax or waive the licensing requirements for intermediaries licensed for Type 1 regulated activity to conduct Type 9 regulated activity if they have equivalent experience in asset management such as handling of discretionary accounts, and have consulted the Securities and Futures Commission ("SFC") on this suggestion.

The main policy objective of imposing licensing requirements on intermediaries for conducting regulated activities is to ensure investor protection. The SFC has taken into account the views of the brokerage industry when introducing licensing policies, and indeed there are already facilitating measures for existing licensed intermediaries who wish to carry on a regulated activity with different competency requirements. For example, for an existing licensed representative who has been licensed under the Securities and Futures Ordinance ("SFO") within the past three years and applies to carry on a different type of regulated activity, he or she may apply to the SFC for a conditional exemption from taking the local regulatory framework paper relevant to the new regulated activity. Furthermore, the SFC may also take into account the

discretionary account management experience acquired by existing Type 1 licensees in their incidental discretionary account management business when they apply to act as a responsible officer to supervise the same business under a Type 9 licence.

Against the above background, we do not consider it appropriate to relax or waive the licensing requirements. Applying the proposed relaxation or waiver of licensing requirements only to a selected group of licensed firms as suggested may also create an unlevel playing field.

Yours sincerely,

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

(Joyce Ho)
for Secretary for Financial Services
and the Treasury

c.c. The Securities and Futures Commission
(Attn: Mr Paul YEUNG)