

Our Ref: CAB C4/17/7

4 November 1999

Mrs Constance LI
Clerk to Bills Committee
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central

Dear Mrs Li,

**Bills Committee on
Provision of Municipal Services (Reorganization) Bill**

Follow-up to meeting of 23 October 1999

Further to my letter of 1 November on the above, I would like to respond to the outstanding concern raised by Members on *why 'District Boards' was included in Part IV A of the Schedule to the Protection of Investors Ordinance (Cap. 335)*.

The main purpose of the Protection of Investors Ordinance (Cap. 335) is to provide protection for the ordinary investor in securities and other property through adequate disclosure of relevant information. Under the Ordinance, advertisements relating to investment and security investment arrangements are prohibited unless such advertisements are authorised by the Securities and Futures Commission (SFC). The Ordinance also provides among other things the automatic exemption from the requirement in respect of advertisement for capital market issue marketed by certain non-financial institutions in Hong Kong, including public sector bodies such as the Urban Council, the Regional Council, any District Boards, the Hong Kong Housing Authority, the Kowloon Canton Railway Corporation etc.

The exemption list is contained in Part IV A of the Schedule to the Ordinance. In view of the proposed reorganization, the deletion of the 'Urban Council' and 'Regional Council' from the exemption list is provided in Schedule 7 of the Bill.

With regard to the District Boards, we have not been able to determine why they were included in the Schedule at all. As it is not within the ambit of this Bill to delete “any District Boards” from the Schedule, we will draw this to the attention of the relevant bureaux and request them to consider deletion of this item when the list is next updated.

Yours sincerely,

(John C. Y. Leung)
for Secretary for Constitutional Affairs

b.c.c.

D of J (Attn: Miss Vivian Fung)
(Attn: Mrs N Dissanayake and Miss Selina Lau)

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