

L.N. 86 of 1999
SECURITIES (DEALERS, INVESTMENT ADVISERS,
PARTNERSHIPS AND REPRESENTATIVES)
(AMENDMENT) RULES 1999

(Made by the Securities and Futures Commission under
section 146A of the Securities Ordinance (Cap. 333))

1. Commencement

These Rules shall come into operation on 23 April 1999.

2. Written agreements for securities
borrowing by dealers

Rule 15 of the Securities (Dealers, Investment Advisers, Partnerships and
Representatives) Rules (Cap. 333 sub. leg.) is amended---

(a) by renumbering it as rule 15(1);

(b) by adding---

"(2) Subrule (1) shall not apply to securities borrowing of Hong Kong stock by
a recognized clearing house acting as principal in accordance with the rules of the
recognized clearing house.

(3) For the purposes of subrule (2), "Hong Kong stock" (香港證券) shall have the
same meaning as is assigned to it in the Stamp Duty Ordinance (Cap. 117)."

Laura M. CHA

Acting Chairman,

Securities and Futures Commission

23 March 1999

Explanatory Note

Under section 146A of the Securities Ordinance (Cap. 333) the Securities and
Futures Commission may make rules concerning the conduct of business by registered
dealers.

2. The Commission has made rules under the Securities Ordinance (Cap. 333) known
as the Securities (Dealers, Investment Advisers, Partnerships and Representatives)
Rules (Cap. 333 sub. leg.) including rule 15 which prohibits a dealer from being a
party to a securities borrowing unless he first enters into a written agreement with
the other party to the securities borrowing. Rule 15 is now amended so that it does
not apply to securities borrowing of Hong Kong stock by a recognized clearing house.