

**URGENT BY FAX AND BY POST**

Your Ref.: CB1/BC/2/99  
Our Ref.: C/SIG

22 December 1999

Chairman,  
LegCo Bills Committee on Exchanges and  
Clearing Houses (Merger) Bill,  
Legislative Council Secretariat,  
3/F., Citibank Tower,  
3 Garden Road, Central,  
Hong Kong.

(Attn.: Ms. Leung Siu-kum,  
Clerk to Bills Committee)

Dear Sir,

Exchanges and Clearing Houses (Merger) Bill ("the Bill")

Thank you for your fax dated 1 December 1999 inviting the Society's views on the Bill. We apologise for the delay in replying.

We have reviewed the Bill and had no comments on the legislative proposals.

Under section 20 of the Bill, the Financial Secretary may appoint not more than eight persons to be members of the board of directors of the newly established Hong Kong Exchanges and Clearing Limited (HKEC). As the accounting profession is widely accepted as an important constituent of Hong Kong's financial services market and a number of professional accountants are already serving on the Stock Exchange Council and its various committees, we have recently written to the Financial Services Bureau and the Securities and Futures Commission expressing our interest in nominating candidates to the board of directors and committees of HKEC. We advise that our interest has been acknowledged by the Financial Services Bureau and the Securities and Futures Commission.

Yours faithfully,

LOUIS L.W. WONG  
REGISTRAR  
HONG KONG SOCIETY OF ACCOUNTANTS

LW/SSLC/jc

c.c. Hon. Eric Li (2827 5086)