

Process Review Panel for the Securities and Futures Commission

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OUR REF.: L/M 75/2007

25 September 2007

The Panel on Financial Affairs
Legislative Council
Legislative Council Building
8 Jackson Road
Hong Kong
(Attn.: Ms Rosalind Ma)

Dear Ms Ma,

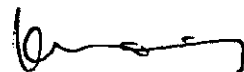
Panel on Financial Affairs Follow-up to special meeting on 29 September 2006

Regulation of securities firms

I refer to your letter dated 5 September 2007 asking for an update of the Panel's request for the Process Review Panel for the Securities and Futures Commission to conduct reviews on three broker misconduct cases.

The PRP is arranging for a review on the Securities and Futures Commission's ("SFC") internal procedure in handling the completed cases. Review on other cases will commence after the SFC has completed those cases. The review findings will be published in the relevant PRP annual reports subject to the prevailing confidentiality requirements.

Yours sincerely,



(Ms Jennifer Kwong)

Secretary,

Process Review Panel for
the Securities and Futures Commission

c.c. Chief Executive Officer, SFC