

Dated 27 May 2010

To the Subcommittee to Study Issues Arising from
Lehman Brothers-related Minibonds and
Structured Financial Products of the Legislative Council

**RESPONSE TO THE SUBCOMMITTEE'S LETTER DATED 17 MAY 2010
FROM MR HUNG PI-CHENG, BENJAMIN, EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE
OFFICER,
STANDARD CHARTERED BANK (HONG KONG) LIMITED (SCBHK)**

1. **Regarding the complaint cases handled by Hong Kong Monetary Authority (HKMA) concerning SCBHK's sale of Lehman Brothers-related investment products during the relevant period (i.e. August 2006 to June 2008), please clarify the following:**

(a) **whether SCBHK is aware of the number of such complaint cases which have been referred by HKMA to the Securities and Futures Commission (SFC); if yes, please provide the number of cases and the number of existing staff and/or former staff involved;**

1.1 The Bank is advised that it is not in a position to respond to this question and/or produce any document on the ground it is covered by official secrecy under section 120 of the Banking Ordinance (Cap. 155), section 378 of the Securities and Futures Ordinance (Cap.571) and public interest immunity.

(b) **whether SCBHK has received a copy of the proposed disciplinary notice or decision notice issued to the relevant individual(s) (RI) concerned or whether SCBHK has been notified of the issuance of such notices to the RI(s); and**

(c) **if the answer to (b) is in the affirmative, the number of existing and/or former staff and the number of cases involved.**

1.2 The relevant individual(s) in these circumstances would be a person under investigation and be subject to official secrecy obligations under section 378 of the Securities and Futures Ordinance (Cap.571) and prohibited from disclosing to the Bank his receipt of any proposed disciplinary notice or decision notice from the HKMA. Upon completion of the disciplinary proceedings, if substantiated, the decision will be published. At this point in time, the Bank is not aware of any such publication.