



私人密件 PRIVATE & CONFIDENTIAL

**Submission to the LegCo Bills Committee
on Securities and Futures (Amendment) Bill 2011**

1. The Hong Kong Confederation of Insurance Brokers ("CIB") have submitted in May 2010 our views on the proposed Investor Education Council ("IEC") when the Financial Services & the Treasury Bureau consulted the public on the proposal.
2. CIB agree to have an organization established to holistically oversee the needs of investor education and delivery of related initiatives.
3. But we are concerned in a very potential off-focus scenario of the IEC in their future service delivery.
4. "Investor" has been used without a definition, that we cannot identify who are the target service recipients of the IEC.
5. If we refer back to the consultation paper, we will notice that the following types of people were described as "investing" in financial products and services :-
 - Over 1.1 million Hong Kong adults had invested in at least one type of SFC-regulated products;
 - Over 2 million employees and self-employed persons enrolled in the Mandatory Provident Funds or Occupational Retirement Schemes Ordinance schemes;
 - More than 12 million credit card accounts in Hong Kong;
 - More than 8.5 million long term insurance policies; and
 - More than 15 million depositors of the top 20 retail banks.
6. But we do not think a layman would consider himself or herself to be an investor when he/she is only a credit card holder, or has taken out a long term insurance policy, or deposits some monies with a retail bank.
7. The IEC is said to aim "to influence the financial attitude and behavior of the general public by improving their financial literacy and capability".

註冊有限公司 Incorporated with Limited Liability

香港炮台山電氣道183號友邦廣場3407室 Room 3407, AIA Tower, 183 Electric Road, Fortress Hill, Hong Kong
電話 Tel: (852) 2882 9943 傳真 Fax: (852) 2890 2137 電郵 E-mail: info@hkciib.org 網址 Website: www.hkciib.org

私人密件 **PRIVATE & CONFIDENTIAL**

8. We have no difficulty in understanding the proposition to improve people's financial literacy in the context of "investor education".
9. An exploration into the definition of "financial capability", if it is the same as that adopted by the Financial Services Authority in UK, i.e. "being able to manage money; keeping track of your finances; planning ahead; choosing financial products; and staying informed about financial matters", we come to a view that it is more about "personal finance education", as the FSA has been working out their National Strategy for Financial Capability "to improve the nation's knowledge and understanding of personal finance" in the UK. If the definition of "financial capability" used for IEC is different from that of FSA in UK, we ask to know what it is.
10. Presuming that the same definition is being used by IEC, similar initiatives to improve our fellow citizen's knowledge and understanding of personal finance should be applauded, but to include these under the heading of "Investor Education" will be misleading and confusing, or at the least cause a loss of focus.
11. The IEC should perhaps be renamed to be "Personal Finance Education Council" to be more effective in reflecting its aim.
12. CIB do not have comments on other parts of the Amendment Bill being considered by the LegCo Bills Committee.

About CIB

The Hong Kong Confederation of Insurance Brokers are a body of professional insurance brokers authorized by the Insurance Authority as a Self-regulatory Organization with 256 corporate members registering 4,216 Chief Executives and Technical Representatives of those corporate members (figures as at 31 August 2011).

(20 September 2011)