

Bills Committee on Securities and Futures (Amendment) Bill 2011

Follow-up to the meeting on 17 October 2011

The Administration is requested to provide the following information:

1. the draft of the guidelines to be issued by the Securities and Future Commission to facilitate compliance with the disclosure requirements under the proposed legislation;
2. a table setting out respectively (a) the definition of price sensitive information (PSI); (b) scope of persons covered under the PSI regulatory regime; (c) liabilities of listed corporations and officers and the applicable tests/thresholds; and (d) sanctions, under the existing regulatory regime in Hong Kong, the proposals in the Bill, and the relevant legislation in other comparable jurisdictions.
3. the rationale for the proposed scope of persons covered under the PSI regulatory regime, and response to the concern that the coverage may be too wide;
4. elaboration on the liability of an "officer", in relation to the provision containing the wording "ought reasonably to have come to the knowledge of an officer", and whether defence would be available to the "officer" if he/she actually does not have knowledge of the information;
5. examples of situations under which information relating to the day-to-day operation of a listed corporation would be classified as PSI and required to be disclosed under the proposed legislation;
6. response on the suggestion of laying down quantitative criteria for determining whether a piece of information is PSI; and
7. information on prosecutions and convictions of financial analysts relating to release of false, misleading or deceptive information.