

**Proposed Committee Stage Amendments
Tabled at the meeting of 15 May 2012**

At the Bills Committee meeting on 15 May 2012, we tabled the note attached for further amendments to sections 34J and 34K, as well as sections 2 and 3 to Schedule 5B (**Annex A**) to cover all cases of suspension under section 195 and 197 of the Securities and Futures Ordinance. In the final set of Committee Stage Amendments (CSAs) submitted (**Annex B**), we have further refined the drafting to track the exact wordings in the two sections (i.e. "suspended" in subsection (1) and "deemed to be suspended" in subsection (4)) to avoid arguments.

**Financial Services and the Treasury Bureau
24 May 2012**

Annex A

Note tabled at the meeting of 15 May 2012

Relevant subsection on suspension	Suggested wording
s34J(2)(b)(i)	as an authorized financial institution registered for Type 1 or Type 4 regulated activity, the registration is suspended under section 196(1)(i)(B) or section 197 of the Securities and Futures Ordinance (Cap. 571) in relation to that regulated activity
s34J(2)(b)(ii)	as an authorized financial institution registered for Type 1 and Type 4 regulated activities, the registration is suspended under section 196(1)(i)(B) or section 197 of the Securities and Futures Ordinance (Cap. 571) in relation to those regulated activities
s34J(2)(c)(i)	as a corporation licensed to carry on Type 1 or Type 4 regulated activity, the licence is suspended under section 194(1)(i)(B) or section 195 of the Securities and Futures Ordinance (Cap. 571) in relation to that regulated activity
s34J(2)(c)(ii)	as a corporation licensed to carry on Type 1 and Type 4 regulated activities, the licence is suspended under section 194(1)(i)(B) or section 195 of the Securities and Futures Ordinance (Cap. 571) in relation to those regulated activities
s34K(2)(f)(i)	as a person licensed to carry on Type 1 or Type 4 regulated activity, the licence is suspended under section 194(1)(i)(B) or section 195 of the Securities and Futures Ordinance (Cap. 571), in relation to that regulated activity
s34K(2)(f)(ii)	as a person licensed to carry on Type 1 and Type 4 regulated activities, the licence is suspended under section 194(1)(i)(B) or section 195 of the Securities and Futures Ordinance (Cap. 571), in relation to those regulated activities
Clause 2 (4)(b)(ii)(A)	(A) that is registered under section 119 of the Securities and Futures Ordinance (Cap.571) for Type 1 or Type 4 regulated activity within the meaning of that Ordinance, the registration is suspended under section 196(1)(i)(B) or section 197 of that Ordinance in relation to that regulated activity;
Clause 2 (4)(b)(ii)(B)	(B) that is so registered for such Type 1 and Type 4 regulated activities, the registration is suspended under section

	196(1)(i)(B) or section 197 of the Securities and Futures Ordinance (Cap. 571) in relation to those regulated activities; or
Clause 2 (4)(c)(i)&(ii)	(c) in the case of the qualification mentioned in subsection (1)(d)- (i) as a person licensed to carry on Type 1 or Type 4 regulated activity, the licence is suspended under section 194(1)(i)(B) or section 195 of the Securities and Futures Ordinance (Cap. 571) in relation to that regulated activity; or (ii) as a person licensed to carry on Type 1 and Type 4 regulated activities, the licence is suspended under section 194(1)(i)(B) or section 195 of the Securities and Futures Ordinance (Cap. 571) in relation to those regulated activities.
Clause 3 (4)(d)(i)&(ii)	(d) in the case of the capacity mentioned in subsection (1)(e) – (i) as a person licensed to carry on Type 1 or Type 4 regulated activity, the licence is suspended under section 194(1)(i)(B) or section 195 of the Securities and Futures Ordinance (Cap. 571) in relation to that regulated activity; or (ii) as a person licensed to carry on Type 1 and Type 4 regulated activities, the licence is suspended under section 194(1)(i)(B) or section 195 of the Securities and Futures Ordinance (Cap. 571) in relation to those regulated activities.

**Relevant provisions related to section 34J, 34K and sections 2 and 3 to
Schedule 5 in the
final set of Committee Stage Amendments**

- 13 In the proposed section 34J(2)(b)(i), by deleting “of the Securities and Futures Ordinance (Cap. 571)” and substituting “or 197(1) of the Securities and Futures Ordinance (Cap. 571), or is deemed to be suspended under section 197(4) of that Ordinance,”.
- 13 In the proposed section 34J(2)(b)(ii), by deleting “that section” and substituting “that section 196(1)(i)(B) or 197(1), or is deemed to be suspended under that section 197(4),”.
- 13 In the proposed section 34J(2)(c)(i), by deleting “of the Securities and Futures Ordinance (Cap. 571)” and substituting “or 195(1) of the Securities and Futures Ordinance (Cap. 571), or is deemed to be suspended under section 195(4) of that Ordinance,”.
- 13 In the proposed section 34J(2)(c)(ii), by deleting “that section” and substituting “that section 194(1)(i)(B) or 195(1), or is deemed to be suspended under that section 195(4),”.
- 13 In the proposed section 34K(2)(f)(i), by deleting “of the Securities and Futures Ordinance (Cap. 571)” and substituting “or 195(1) of the Securities and Futures Ordinance (Cap. 571), or is deemed to be suspended under section 195(4) of that Ordinance,”.
- 13 In the proposed section 34K(2)(f)(ii), by deleting “that section” and substituting “that section 194(1)(i)(B) or 195(1), or is deemed to be

suspended under that section 195(4),”.

21 In the proposed Schedule 5B, in section 2(4)(b)(ii)(A), by deleting “196(1)(i)(B) of that Ordinance” and substituting “196(1)(i)(B) or 197(1) of that Ordinance, or is deemed to be suspended under section 197(4) of that Ordinance,”.

21 In the proposed Schedule 5B, in section 2(4)(b)(ii)(B), by adding “or 197(1), or is deemed to be suspended under that section 197(4),” after “196(1)(i)(B)”.

21 In the proposed Schedule 5B, in section 2(4)(c)(i), by deleting “of the Securities and Futures Ordinance (Cap. 571)” and substituting “or 195(1) of the Securities and Futures Ordinance (Cap. 571), or is deemed to be suspended under section 195(4) of that Ordinance,”.

21 In the proposed Schedule 5B, in section 2(4)(c)(ii), by deleting “that section” and substituting “that section 194(1)(i)(B) or 195(1), or is deemed to be suspended under that section 195(4),”.

21 In the proposed Schedule 5B, in section 3(4)(d)(i), by deleting “of the Securities and Futures Ordinance (Cap. 571)” and substituting “or 195(1) of the Securities and Futures Ordinance (Cap. 571), or is deemed to be suspended under section 195(4) of that Ordinance,”.

21 In the proposed Schedule 5B, in section 3(4)(d)(ii), by deleting “that section” and substituting “that section 194(1)(i)(B) or 195(1), or is deemed to be suspended under that section 195(4),”.