

立法會
Legislative Council

LC Paper No. LS77/11-12

**Paper for the House Committee Meeting
on 8 June 2012**

**Legal Service Division Report on
Subsidiary Legislation Gazetted on 1 June 2012**

Date of tabling in LegCo : 6 June 2012

Amendment to be made by : 4 July 2012 (or the 1st meeting of the next session if extended by resolution)

Securities and Futures Ordinance (Cap. 571)
Securities and Futures (Short Position Reporting) Rules (L.N. 48 of 2012)
Securities and Futures (Short Position Reporting) Rules (Commencement)
Notice (L.N. 103)

The Securities and Futures (Short Position Reporting) Rules (L.N. 48) (the Rules) were made by the Securities and Futures Commission (SFC) after consultation with the Financial Secretary. The Rules introduce a short position reporting regime in respect of shares specified in Schedule 1 to the Rules, including shares which are constituent of the Hang Seng Index and Hang Seng China Enterprises Index.

2. Rule 1(1) of the Rules provides that, except rule 6, the Rules come into operation on 18 June 2012. Rule 1(2) provides that rule 6 comes into operation on a day to be appointed by SFC by notice published in the Gazette. Rule 6 provides that SFC must publish the particulars of the reportable short positions notified to it in the manner it considers appropriate.

3. The Rules were gazetted on 23 March 2012 and tabled at the meeting of the Legislative Council on 28 March 2012. At the House Committee meeting on 13 April 2012, no Member requested to form a subcommittee to study the Rules. No amendment to the Rules has been introduced before the expiry of the scrutiny period on 16 May 2012.

4. By L.N. 103, SFC now appoints 7 September 2012 as the day on which rule 6 comes into operation.

5. The LegCo Brief (with no reference number) issued by SFC on 29 May 2012 explained that as the short position reporting requirement is new, there may be operational and other factors which could impact on the quality of data at the initial stage of implementation. The proposal to commence rule 6 on 7 September 2012 will give SFC reasonable time to ensure proper collation and disclosure of data.

6. No difficulties have been identified in relation to the legal or drafting aspects of L.N. 103.

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