

香港特別行政區政府  
財經事務及庫務局  
財經事務科  
香港添馬添美道二號  
政府總部二十四樓



FINANCIAL SERVICES BRANCH  
FINANCIAL SERVICES AND  
THE TREASURY BUREAU  
GOVERNMENT OF THE HONG KONG  
SPECIAL ADMINISTRATIVE REGION

24TH FLOOR  
CENTRAL GOVERNMENT OFFICES  
2 TIM MEI AVENUE  
TAMAR  
HONG KONG

電話 TEL.: (852) 2810 2054  
圖文傳真 FAX.: (852) 2294 0460  
本函檔號 OUR REF.:  
來函檔號 YOUR REF.:

By fax: 3705 1418

29 June 2018

Honourable Holden Chow  
Chairman of Subcommittee on  
Securities and Futures (Professional Investor)  
(Amendment) Rules 2018  
Room 610, Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear Honourable Chow,

### **Monetary thresholds under the professional investor (“PI”) regime**

Further to the reply of 22 June 2018 from our Bureau and the Securities and Futures Commission (“SFC”), members of the Subcommittee on Securities and Futures (Professional Investor) (Amendment) Rules 2018 (“the Amendment Rules”) raised further comments on the captioned subject at the meeting on 27 June. We would like to provide a response as follows.

During the scrutiny of the Amendment Rules, we fully appreciated members’ concerns about the PI regime, particularly the monetary thresholds adopted under it, as well as the comment that the thresholds should be reviewed. In this connection, the Dr Honourable Chiang Lai-wan issued a letter requesting that the monetary thresholds under the PI regime be reviewed and revised as soon as possible. The Honourable

James To also raised the same point in his earlier letter which set out his comments on the various aspects of the content of the Amendment Rules. As mentioned in our reply of 22 June, the monetary thresholds are an important element of the PI regime, and market participants are very familiar with their operation. As such, if we are to study whether the thresholds should be revised, it must be done after a proper review. In doing so, careful consideration must be given to the implementation, and if applicable, transitional details. Further, there must be a consultation before there can be any basis for proposing any changes.

In view of members' concerns about the monetary thresholds under the PI regime, the SFC will commence a review of these thresholds in 2019. In accordance with the established practice, the SFC will properly consult the stakeholders on the proposals resulting from the review. This can avoid causing confusion in the market because of changes made in haste, which would compromise investor protection.

We hope that the above can address members' concerns about the monetary thresholds, and that members will support the Amendment Rules which aim to provide a level playing field for the market.

Yours sincerely,



( Carrie Chang )

for Secretary for Financial Services and the Treasury

*c.c.* Securities and Futures Commission (Attn: Ms Julia Leung and Mr Paul Yeung)