

**Statute Law (Miscellaneous Provisions) Bill 2025 (“Bill”)**

**Follow-up to the meeting on 6 June 2025**

**On paragraph (a)(i) to (ii) of the list of follow-up items:**

1. In light of the different kinds of matters that are set out in schedules to legislation, the Drafting Legislation in Hong Kong – A Guide to Styles & Practices does not provide for a fixed rule on the listing of contents in schedules (see paragraph 7.2.11 of the Guide). The approach to be taken as regards listing of different contents in schedules may vary in view of the circumstances of the case in question.

**On paragraph (b)(i) to (iv) of the list of follow-up items:**

2. Currently, the English text of the Securities and Futures Ordinance (Cap. 571) and the subsidiary legislation made under it adopts the word “overseas” (e.g. as part of a defined term) to generally describe certain matters and persons that are or from outside Hong Kong. The existing corresponding Chinese term of “overseas” is “海外” or “境外”.

3. The references to “overseas” (and the corresponding references to “海外” or “境外”) in the existing provisions are all intended to refer to certain matters and persons that are or from outside of Hong Kong, including those in or from Mainland China. As regards the word “overseas”, the Oxford Advanced Learner’s English-Chinese Dictionary explains its meaning in English as “(at, to, from, etc. places or countries) across the sea; foreign” and in Chinese as “(在、向、來自等)海外的; 國外的”. Thus, the current usage of “海外” or “境外” in the Chinese text reflects the meaning of “overseas” in the English text in the existing provisions.

4. As adopting the “overseas” label may not be accurate, the Government proposes to replace “overseas” with “non-Hong Kong”<sup>1</sup>.

5. We are of the view that “non-Hong Kong” is generally a suitable substitute for the term “overseas” in the relevant context. Most of the proposed amendments in Part 55 of the Bill are consequential to the proposed revisions of “overseas” to “non-Hong Kong” in defined terms that use “overseas”. The term “non-Hong Kong” can succinctly reflect the nature of the matters defined by the relevant defined term. The term “non-Hong Kong” is also often used in defined terms that deal with similar matters

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<sup>1</sup> Clauses 154 to 166, 169 to 171, 172(2), 173 and 177 to 178 of the Bill.

in other legislation, e.g. the definition of “non-Hong Kong company” in section 2(1) of the Companies Ordinance (Cap. 622), which is familiar to and well-understood by the industry.

6. We target to consistently adopt “non-Hong Kong” in the amendments as far as possible. However, in view of the circumstances and contexts of particular provisions, a few existing references to “overseas” are not proposed to be replaced with “non-Hong Kong”. The reasons are elaborated as follows.

(a) Clause 167 of the Bill – (to amend section 381F of Cap. 571)

We propose to replace “overseas person” with “person outside Hong Kong”. As the relevant section refers to “a person in a place outside Hong Kong”, adopting “outside Hong Kong” would be clearer in the relevant context.

(b) Clause 168 of the Bill – (to amend section 2 of the Securities and Futures (Financial Resources) Rules (Cap. 571N))

Section 2 of Cap. 571N contains the definition of “recognized jurisdictional fund”, which means “*a unit trust or mutual fund that –*

- (a) *is regulated in a jurisdiction outside Hong Kong, regardless of whether it is also an authorized fund; and*
- (b) *falls within all of the criteria ... published on the Commission’s website for the purposes of the provisions of UT Code relating to recognition of certain overseas collective investment schemes;”.*

The reference to “overseas” in the expression “overseas collective investment schemes” in paragraph (b) above is intended to have the same meaning as “regulated in a jurisdiction outside Hong Kong” in paragraph (a) above. We therefore propose to adopt the same expression and to amend “overseas collective investment schemes” to “collective investment scheme regulated in a jurisdiction outside Hong Kong” for consistency and better reflection of the policy intent.

(c) Clauses 172(1) and 174 of the Bill – (to amend section 15 of and Schedule 4 to the Securities and Futures (Price Stabilizing) Rules (Cap. 571W))

We propose to change the headings of section 15 of and Schedule 4 to Cap. 571W from “Overseas stabilization” to “Stabilization outside Hong Kong”. The relevant provisions cover price stabilizing conducts committed outside Hong Kong. “Overseas stabilization” is not a defined term in the relevant

existing provisions. As compared with “non-Hong Kong”, the use of the term “outside Hong Kong” in the headings would provide a clearer indication that the place where such conducts are carried out is outside Hong Kong.

(d) Clauses 175 and 176 of the Bill – (to amend Securities and Futures (OTC Derivative Transactions—Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules (Cap. 571AN))

We propose to replace the definitions relating to “overseas” licensed corporation (LC), approved money broker (AMB) and authorized financial institution (AFI) with “non-local” LC, AMB and AFI. As Cap. 571AN currently contains definitions relating to “local” LC, AMB and AFI, we propose to replace the original term “overseas” with “non-local” to correspond to the existing “local” formulation.

In addition, we propose to amend “overseas books” to “any of the books (other than the Hong Kong books)”. Rule 6(1)(a)(ii) of Cap. 571AN contains reference to the “Hong Kong books”. The existing expression “overseas books” in rule 6(6) is intended to refer to those books that are not the Hong Kong books. It is therefore considered that “any of the books (other than the Hong Kong books)” is the most suitable description for the intended coverage.

7. All amendments in Part 55 of the Bill will not affect the effect and operation of the relevant existing provisions.

**June 2025**

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