

Pre release

FSTB responds to procession by Lehman Minibond holders

Sunday, September 28, 2008

In response to media enquiries about a public procession by Lehman Minibond holders, a spokesman for the Financial Services and Treasury Bureau today (September 28) gave the following reply:

The Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) have been in close contact with the representatives of Lehman Brothers and the distributors of Lehman Brothers Minibonds to obtain an understanding of the impact on the minibond holders after Lehman Brothers filed for bankruptcy protection. The SFC and HKMA have also contacted the trustees of the Minibonds in the hope of finding ways to protect investors' interest.

The collateral assets backing the Minibonds are now in the custody of the trustees. The trustees are actively exploring various options in relation to the treatment of the assets. The trustees also agreed to provide the latest information to the investors for consideration as soon as possible.

At the request of the HKMA, a number of banks have now opened public telephone enquiry lines dedicated to answering questions on Lehman-Brothers-related investment products sold by them. In addition, the HKMA has asked banks to write to affected customers to explain clearly the latest situation with regard to these Lehman products. Banks have also been requested to arrange briefings for customers.

The HKMA has opened a hotline to assist any individual investors who might have complaints in relation to the sale by banks of investment products related to Lehman Brothers. The number of the hotline is 8100 2314. A form for complaints in writing is also available on the HKMA website.

The HKMA and SFC have assured that they will deal with investors' enquiries and complaints expeditiously.

Also, the HKMA and SFC will submit reports to the Financial Secretary, in about three months' time, on their observations, lessons learned and issues identified during the process of investigating into the complaints received.

Upon receipt of their reports, the Secretary for Financial Services and the Treasury will undertake a systemic review and consider, on a policy level, what can be done to further improve Hong Kong's regulatory framework and enhance investor protection and education.