SFST's transcript at media session

Thursday, October 2, 2008

Following is the transcript of a media session (English portion) by the Secretary for Financial Services and the Treasury, Professor K C Chan, at the Central Government Offices today (October 2):

Secretary for Financial Services and the Treasury: This morning I had a meeting together with the Securities and Futures Commission, Hong Kong Monetary Authority (HKMA) and the distributing banks as well as the brokers that distribute the Lehman Brothers' minibond products. We also met with the trustee who keeps the collateral of the minibonds. During the meeting, I asked the banks to put in more resources to handle the complaints and to proactively contact the customers and provide them with more information. The trustee explained to the distributing banks and brokers about the procedures to be followed in the event of default of the minibond so that the distributing agents will be able to provide information to the minibond holders. The HKMA has been in close contact with banks throughout the whole process. The Hong Kong Association of Banks has agreed to form a taskforce in order to follow up on the minibond issues and to consider providing assistance to the minibond holders.

Reporter : (At the moment, are the minibond holders in an improving position than before?)

Secretary for Financial Services and the Treasury: I think we are giving them a lot more information. I hope the banks will provide more information to the bond holders when the time comes.

Reporter: What's your comment on the passage of the US$700 billion rescue package bill at the US Senate ?

Secretary for Financial Services and the Treasury: Good News! One down, one to go. We hope the House will also pass the bill.

Reporter : (Will there be any direct impact on HK market...?)

Secretary for Financial Services and the Treasury: Yes, of course, I think this would help to stabilise the US financial market and that will be helpful to Hong Kong.

(Please also refer to the Chinese portion of the transcript.)

Ends