

Press release

Securities and Futures and Companies Legislation (Structured Products Amendment) Bill 2010 to be introduced into Legislative Council

Wednesday, June 30, 2010

The Government will introduce the Securities and Futures and Companies Legislation (Structured Products Amendment) Bill 2010 into the Legislative Council for the first reading on July 14 to unify the regulatory regime for public offers of structured products, a spokesman for the Financial Services and the Treasury Bureau said today (June 30).

Under the current legislation, public offers of structured products, depending on their legal form, may be subject to the prospectus regime of the Companies Ordinance (CO) or the offers of investments regime in Part IV of the Securities and Futures Ordinance (SFO), even though such structured products may have similar economic risk and return profiles.

"The Bill aims to rationalise the legislative framework by putting the regulation of public offers of all structured products under the offers of investments regime of the SFO," the spokesman said.

Under the proposed regime, the Securities and Futures Commission (SFC) will authorise the issue of advertisements, invitations or documents relating to structured products; be empowered to authorise structured products; and publish codes and guidelines setting out the regulatory policy on such products.

"By issuing codes and guidelines under the SFO, the SFC would have more flexibility in setting out its regulatory policy on structured products," the spokesman said.

The Bill will be gazetted this Friday (July 2).