

MESSAGE

To: ceo@ceo.gov.hk
fso@fso.gov.hk
Enquiry/SFC@SFC

Ext :
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From:

Date: 19/12/2009 04:33 PM

Subject: Additional Points given on SFC request for Finance Improvement in HKSAR

Attn: SFC

Cc : Office of the Chief Executive, Financial Secretary

Additional Points given on SFC request for Finance Improvement in HKSAR

Dear Sirs

This is Manley, who had been worked at Finance Agency for 3 mths and had sent a report to Government on dated 08Dec09. Whereas, I had few points likely to added in my reports. Which in the report page 4 -5 is the new additional pages for my personal comment in finance matters for SFC.

Additional Points given on dated 19Dec09, concern the improvement of investment in HKSAR at SFC

- Form out the different level of risk in the presentation and contract explanation document (Remedies setting for different grade of risk in any investment claim)
- *Increase people confident in investment and enhance finance activity in HKSAR*
- Problem for people just invest in building

Please kindly review the attached document on pages 4-5 are the additional points given for HKSAR Government record.

TKs Attn!

With Best regards

Manley Tai

Check : Enclosed Resume



19-12-09 (Finance Market Comment to HKSAR).doc

With noticed that government with TV ad announcement to absorb comment on investment subject at SFC unit. Likely to give comment for support HKSAR finance market on further development. Which the comments are separated into three sections; they are (1) Finance Co. operation, (2) Finance Co. manage improvement and (3) Consumers-to-Finance Co. Protection. Whereas, the points are given and listed as follow:

Comment on:

(1) Finance Co. Operation

- (i) SFC control & observe the product type sold by different finance trader, according the Finance Co. ability
- (ii) License must be extended to 5 years long for retain the specialist at finance area
- (iii) SFC with regulations on the structure of organization in Finance Co. forming
- (iv) SFC with regulations to protect the client is not transfer to other company due to internal staff communication or other benefits exchange situation
- (v) SFC must control the stock-holder of a company or other enterprise influencer pronounce direct or non-direct message that affect third-party stock value
- (vi) Control on the Ad on Finance Product, without any in-honest or exaggerate matter
- (vii) Service charge control in finance market

(2) Finance Co. Manage Improvement

- Those Senior Management must have sufficient knowledge in finance world-trade trend
- Upgrade the Junior Finance Staff with sufficient knowledge in the role of finance consulting work
- Continuous update the finance staff with superior knowledge is a must
- Staff benefit/manpower is every important for HKSAR finance market develop further

(3) Consumers-to-Finance Co. Protection

- Comment trade of finance product as insurance product with a period of thinking on investment
- Comment on the right of consumer to take the money out of the account
- List out all the trade transaction of finance product per month
- List out the profit/Loss rate in the document
- Sound record in the trade and with three party to re-confirm the understanding of risk in the trade
- With Declaration to sign the whole document
- Finance company must provide tools for allow consumer observe their account

With SFC continuous observation, receive customer complaints and random select the finance company document for checking, ensure there is no people offend the regulations will make the investment market more healthy.

Finally with personal message on the Government for absorption citizen message in later on development need.

Thanks attention in advance and please see those next pages for details.

Section (1) Finance Co. Operation

- (i) **SFC control & observe the product type sold by different finance trader, according the Finance Co. ability**
Product grand by the agency must according to their ability. If the company without professionals in the area or the company overall assets is not overcome the total risk of the product sold. Then, a limitation on those financial agencies must held. Which high risk or high 槓桿原理 product are sold by Finance Co. with equal risk ability.
- (ii) **License must be extended to 5 years long for retain the specialist at finance area**
With experience on the waved of insurance license, I think the license should not limited by 2 years, and must be extended to 5 years. Giving the workers longer period to find their career and attract the professional in the field.
- (iii) **SFC with regulations on the structure of organization in Finance Co. forming**
On my last company, the presidents or senior didn't give their analysis skills to their colleague. While, to help the finance market running more success is ask for more people with professional analysis skills to penetrate into the finance area and help to speed up the HK finance market trading and development.
Whereas, an accountant help each unit calculate the company's Profit and Loss is needed. Make sure all the money goes in and out are without any underground transactions were held. Besides, how to make the finance business with more structure organization format, also help the finance market growth better
如果沒有分析能力也可做金融顧問，這是叫人掉錢下海，也對金融市場長遠發展不健康
- (iv) **SFC with regulations to protect the client is not transfer to other company due to internal staff communication or other benefits exchange situation**
With experiences, hearing the manager transfer the client to another company with relative relationship. I hope SFC could form out regulation to protect the Finance Trader, hence with rule control the client cannot be stolen by the internal staff cunning work, which is offend their duties according to the rule of SFC at HKSAR
- (v) **SFC must control the stock-holder of a company or other enterprise influencer pronounce direct or non-direct message that affect third-party stock value**
When I worked at finance field, hearing a Stock Holder professional telling how he put his money in the trade, which really influence the people and follow him on the trade in finance market
(如果某人自己是某集團持牌人,我覺得該上牌的的主席或有股分的成員是不應在公眾發表投資心得,因對其他一同上牌的公司是有 indirect 利益損害) - 因好多香港投資者 是沒有太多投資心得,持牌 人的說話會令個市制造影響力)
*** 如果一個沒有任何上市公司股權的人(一名獲牌抄家也好), 他/她可以公開自己分析,因是技術分析員***
*** 這技術分析員是沒有任何上市股權利益,不損擾市場,所以可公開其話,也是好客觀而非個人利益的評術***
- (vi) **Control on the Ad on Finance Product, without any in-honest or exaggerate matter**
I have found some Ad on Finance Product that hidden the rate of return, but the banker consultant sell it and pronounced that with exact rate of return in promoting their product. Hence its necessary for SFC control all the finance promotional materials are without addition, exaggerate or in-honest hidden meaning of the product.
就算是大銀行,所有講的都是與宣傳單張一致,不得加多或減少,否則該公司要負責任
SFC 如果有部門,也可成總批處,批該宣傳單張之可行性
- (vii) **Service charge control in finance market**
When in UK, the banker attract student open account and give money as gift. Whereas, in the finance seaquake, the world-wide bankers must find way to balance their trade globally. Hence, I don't think HKSAR belongs to CHINA without the heaviest attack in the crisis and ask for one by one service charged by BANKER.
*** must observe the banker fares are acceptable and hope even china bank development is cross over Asia with the objective to be the 1st of Asia Financial Market as stated by the Chief Executive Officer ***

Section (2) Finance Co. Manage Improvement

- i. **Those Senior Management must have sufficient knowledge in finance world-trade trend**
In my last finance agency company, the senior just with sight on their product, even being the president of the whole office. If HKSAR SFC allow more international finance product penetrate in the HK finance market. It is very important for those senior leaders with concept on the world-wide trend of finance market.
- ii. **Upgrade the Junior Finance Staff with sufficient knowledge in the role of finance consulting work**
In my last finance agency company, the junior staff didn't know the basic analysis matters and can be a consultant for the client. So grand a study for the finance staff is a must. (even in gold index, but the exam cost could be grand or support)
- iii. **Continuous update the finance staff with superior knowledge is a must**
How to upgrade, may be ask the finance staff hunting for more professional knowledge with government support.

If people with knowledge, they can predict the product cycle and leading finance marketing running great. However, Nowadays I just think anyone could go in the finance field, and found so many are retired person.

- iv. **Staff benefit/manpower is every important for HKSAR finance market develop further**
In my experience, I only got HK\$4000 salary for the post of finance consultant and all the transportation and other expense are not provided. In addition, all financial staff are without provided MPF and medical benefit.
** if the staff didn't give effort, the employer even stop given salary in the employment**
Its necessary for Government think of compensation to those "SELF-EMPLOYMENT" condition workers.
For example, ask for medical insurance or working over 3 yrs to the company with 自願保助金
不能讓商家叫工人自願,而避走 mpf, 也可說最勞苦的人, 就越要醫療計畫保助
- Staff benefit is a push on work and protect the city with more productivity and helps the city develop quicker and better. However, in finance, insurance or some other field is grouped as self-employed person. Which the efforts in those fields are so heavy for meeting the sales quote of the company.
- Its very important for HKSAR Government think of the leakage protection in MPF Scheme and thinking "Insurance" or "Finance" those with more develop space. How the policy made in Staff benefit could absorb more professional in the field and increase the HK assets and develop ability in new century

Section (3) Consumers-to-Finance Co. Protection

- i. **Comment trade of finance product as insurance product with a period of thinking on investment**
Due to the product of insurance is different from finance product. For finance product like stock which is price changes in daily transaction and the bonds is profit given upon its period of investment. We would say that finance product had variety types and cannot apply the same "Period thinking" concept as insurance product.
*** but alternative trade confirmation steps are given as rule may help to reduce mismean in the finance trade***
- ii. **Comment on the right of consumer to take the money out of the account**
For finance all the product, its necessary to make sure there is a common rule for every bankers or agency to follow. Which the timing allow consumer to terminate or take money from their own account is fixed at SFC rule.
- iii. **List out all the trade transactions of finance product per month**
There were many case appear in bankers that consultant rotate/loss client money without permission.
its necessary for the bankers and agencies given daily transaction record for client to check on,
Whereas, a monthly report of the finance investment record must be given to client per month. (as a rule)
- iv. **List out the profit/Loss rate in the document**
In above point (3.iii), profit and loss rate is listed in the report document
It will be clear for investor notice their investment is make profit or loss, and let the consumer with idea to continue the investment or get out the investment if loss is held.
No guarantee winner in finance market, understand clearly in profit/loss is an indication of risk affordability
- v. **Sound record in the trade and with three party to re-confirm the understanding of risk in the trade**
Consultant need to meet sells quote, must try their best to persuade client to get into the trade.
So (1) customer service must be applied in each finance corporation, which CS staff is the third parties to make conversation with client and ensure client understand the risk of product and record in paper-work.
(2) which sound record system is applied at CS-to-client conversation, prevent mismean or further judgment.
- vi. **With Declaration to sign the whole document**
Consultants must clearly explain the document in details for client to sign the contract of sell.
Which Format of Declaration Forms are followed the style at SFC regulation.
- vii. **Finance company must provide tools for allow consumer observe their account**
Finance Company must give Internet tools or other equipment to consumer, to enable them keep check their account easily

我見到政府用 TV ad 呼籲市民提交意見, 不過收集更好的意見, 應在不同類別的金融業員, 投資人士和非投資人士做 research 才可定案。若要一個好資深的金融業員交意見是好難, 因他們是忙過不停, 而我這個已離崗位的業員, 可以比到什麼給你們。

Additional Points given on dated 19Dec09, concern the improvement of investment in HKSAR at SFC

- Form out the different level of risk in the presentation and contract explanation document (Remedies setting for different grade of risk in any investment claim)
- Increase people confident in investment and enhance finance activity in HKSAR
- Problem for people just invest in building

1) Form out different level of risk and list out the risk level in contract before the trade

For finance product, it's really a gamble market without sure win formula. The money income is depends on the intelligence of the people who put the money in the right place to generate the highest profit.

Under this situation, if SFC form out the different grade of risk for the product, and ask all the trade of finance must issue the risk level in the trade. It will be benefit both trading parties in notify the risk before participate in the investment.

	<u>Risk Grade</u>
For eg. Normal Saving in current A/C at Banker	1
Foreign Exchange deposite in A/C	2
Funding	2-3
Stocking	3-4
Futures/ Options on index Purchase	5*

(The Grade of Risk is defined by SFC, which the banker or Agency must inform the client the risk level of the finance product they invested, prevent mismean in the risk in unexpected loss)

1.2 (Remedies setting for different grade of risk in any investment claim)

Although, we had make a grade of risk in investment product, but unexpected duties in breaking the rules must help. Whereas, the remedies for different grade of risk in the finance product are also form out.

(For that trade, which is mismean by the defendand in cause of loss with given upon below remedies)

(However, if the Seller/ Offender is break of duties, the loss claim are vary in the below setting)

	<u>Remedies Max Budget</u>
For eg. Normal Saving in current A/C at Banker	\$100,000 (For Grade 1st Risk Product)
Foreign Exchange deposite in A/C	\$100,000 (For Grade 2nd Risk Product)
Funding	\$150,000 (For Grade 2 nd to 3 rd Risk Product)
Stocking	\$300,000 (For Grade 2 nd to 3 rd Risk Product)
Futures/ Options on index Purchase	\$600,000 (For Grade 2 nd to 3 rd Risk Product)

Which every claim in court is limited with the budget claim according to the risk grade of the product.

Reason: To speed up the claim process and give both parties a basic in the claim protection.

Its also a form of CONFIDENT, if mismean with claim remedies. Moreover, sound recording, document clear for risk level are signed. Which is asking banker/agency must explain clearly in all the finance service to prevent any refund cases in all the investment trade.

2) Increase people confident in investment and enhance finance activity in HKSAR

I had just worked for a finance agent for 3 mths on the Gold Index investment. Whereas, Gold Index is a world-trade finance product, but find out that in Asian time the Gold Index with slow movement, but in Europe and US opening time is having significant great changes in Index pattern. Which means that in Europe and US area with more candidates participate into the Gold Index trading.

Therefore, if HKSAR wanna to maintain a TOP POSITION as a POP FINANCE CENTRE in Asia. We must ask more people participate into the finance market and having the intelligence professional making the trade to help HKSAR rolling up the assets as to generate better economic of Internal Consumption within HKSAR Region.

2.1 How to increase Confidence in Investment Trade

1) Regulation control the Banker & Agency Staff with superior conduct in the trade

- Daily Transaction record are given for consumer to check
- Contract are given for 3 party in scanning the level of risk presence in the investment
- Profit rate/ Loss rate are required to force list in the investment report
- SFC counter : as a 3 party to guide the consumer on certain question in trade

2) Regulation protect the consumer in the trade

- like sound recording, Agency must list out the risk of product etc.

3) Government with more support in daily living

- the reduce of education fees, may ask for putting money at banking investment
- Control the living standard costing, is mean help people with money in finance investment

3) Problem for people just invest in building

In HK, most of the people invest in Property rather than finance product. Its due to the knowledge apply in property investment is little. Unfortunately, HK with limited land and HK is a country that require new intelligence to make it growth successfully. HKSAR GOV is needed to concern how to help the new group build their home station in HK for our future development, as to maintain its speedy up development region.

Also, its necessary for HKSAR absorb the FINANCE INTELLIGENCE to help citizen increase their assets and final generate more money flow to HKSAR internal consumption.

**** Its not necessary for HKSAR citizen without much knowledge in INVESTMENT, but the thing is HKSAR with HUDE GROUP of FINANCE PROFESSIONAL to control/ manage the MONEY in HKSAR. With intelligence could help HK Finance Centre escape the unexpected loss, also put money at the right place and trade in the product which is profitable and also make a balance for the finance product movement to consolidate its affection on HK Finance Centre.**

香港的 property 佔股市重大的比率, 但人人只願炒樓而不看好金融不是好事, 因國家有財子才可在國際錢莊找金錢, 也在危機可作出平衡來平定金融危機. 人們在金融賺錢都會帶旺香港消費, 但問題是金融介的人是否有這技術幫人賺錢, 而不是大眾對金融仍不信任, 覺得是沒有把握的賭博.