

**SECURITIES AND FUTURES COMMISSION**

To: consult/SFC@SFC CEOO Ext :  
cc:

From: e-workflow/IR/SFC@SFC  
Date: 09/12/2009 04:22 PM

Subject: Consultation Paper Comment - Consultation Paper on Proposals to Enhance  
Protection for the Investing Public (Ref: 20091209.1622.36850)

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From : Yip

Other Name : Chun Kong

Title : Mr.

I would like to remain anonymous : N

Phone :

Fax :

Email :

Address1 :

Address2 :

Address3 :

Country :

Q1 :

Q2 :

Q3 :

Q4 :

Q5a :

Q5b :

Q5c :

Q5d :

Q6a :

Q6b :

Q6c :

Q7 :

Q8a :

Q8b :

Q9 :

Q10 :

Q11 :

Q12 :

Q13 :

Q14 :

Q15 :

Q16 :

Q17 :

Q18 :

Q19 : YES. Current "know ur client" procedures cannot apply that the client clearly know the risk or suitability of unlisted dervative products.

I proposed that experience on trading derivatives, risk tolerance level and knowledge of unlisted derivatives should be included in the contents of proposed measures for the investor.

Q20 : Yes.

Q21 : 8 M now is ok.

Q22 : 1.3 Generic disclosure

By introducing disclosure, those clients may usually choose those products with the lowest commission rate, which seems to be the 'best' for the client. however, which in generally not true. consequently, the lowest commission rate products will dominate the market. Regardless the suitability to the client and without any kind of investment advice, the client will be the final loser.

Q23 : no

No need to set the percentage bands

Q24 : 2.2 Generic disclosure is suggested

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Q25 : Generic disclosure

Q26 : Yes, that should be restricted. Since those special gift may distract the client focus, they pay less attention in the product features. e. g. "MiniBond"

Q27 : I think that's good to disclosure the capacity and affiliation with product issuer. It will help the public to know more about the opinions they get from the intermediaries are "independent" or not.

However, Monetary and non-monetary benefits and dicount of fees and charges

available to investors are not suggested to be disclosed.

Q28 : No. Making the audio recording of client risk profiling process and the advisory or selling process to be mandatory for investment products can't protect the investors.

As the retail bankin started to record customer risk profiling and investment selling process. The bank staff would pre-sell and explaine all the product's features before audio recording. The client have to listen to the scripts again during the recording. Even worst, the client need to restart the audio recording again if he make the wrong answer.

That not only creates extra work for the distributors but wasting investors' time. By introducing mandatory audio recording may consequently protecting the distributor instead of the ionvestors, if any dispute comes up.

The practice of written acknowledgement on his risk profile, financial risk analysis and understanding of investment product should be sufficient to protect the investor.

Q29 :

Q30 :

Q31 :

Q32 :

Attachment :