

SECURITIES AND FUTURES COMMISSION

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

From: e-workflow/IR/SFC@SFC
Date: 09/12/2009 06:06 PM

Subject: Consultation Paper Comment - Consultation Paper on Proposals to Enhance
Protection for the Investing Public (Ref: 20091209.1806.55768)

From :

Other Name :

Title :

I would like to remain anonymous : Y

Phone :

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Country :

Q1 : I would only asked how it might affect ''advisors'' or market practitioners who are not SFC authorised, there are many out there peddling their poor value products, please do not sat we are not concerned or it is not appropriate to comment.

Q2 : All financial products commissions payments etc should be DISCLOSED IN FULL in dollars and cents and not some ill thought out hidden expense ratios.
As for gifts, where is the line drawn, lunch, an Xmas diary, difficult indeed.No comment on appendix D

Q3 : Do not and never will recommend a structured product.

Q4 : Agree 100%

Q5a : Agree 100%

Q5b : Agree 100%

Q5c : YES.

Q5d : FULL transparency of earnings at the outset and any ongoing if applicable.

Q6a : Agreed.

Q6b : Didnt Leahmans have just such a rating???

Q6c : Unsure.

Q7 : Agreed.

Q8a : is this achievable???

Q8b : See Q8

Q9 : I have always thought this to be a complete nonsense.

Q10 : sooner the better.

Q11 : N/A

Q12 : YES, common sense approach.

Q13 : N/A

Q14 : need to study this further, sorry.

Q15 : need to study this further, sorry.

i would say though that UT authorised in say the UK under the FSA ought to be ready available in HK< same for other major jurisdictions.

Q16 : ''To promote scheme participants- understanding of the nature of ILAS, the Commission proposes to require disclosure of the key features and risks of ILAS in the Product KFS. For instance, the nature of ILAS, namely that they are insurance policies issued by an insurance company with benefits linked to performance of investment options by scheme participants and scheme participants do not have any rights or ownership over the underlying assets, should be highlighted. Any early surrender/withdrawal penalties should also be stated. Illustration templates of the Product KFS will be made available on the Commission-s website''.

tHis is absolutely vital and has been a source of abuse for many years.

Q17 : Jan 1st 2010 or SOONER, why is DISCLOSURE such an issue, UK does it along with many other countries, why are we in HK dragging our feet kicking and screaming???????

Q18 : General principles are ''generally'' ignored or at best treated with a selective policy.

Q19 : YES, but how many of the product pushers understood just what they were selling????

Q20 : A/ YES

B/ Possibly.

Q21 : Dangerous setting levels like this as we have already seen, values fall or rise, inflation etc etc.

Q22 : DOLLARS!!!!!!!1,000% and in BOLD CAPITALS
RUBBISH
EVEN WORSE RUBBISH.

Q23 : Disagree completely.

Q24 : 2.1

Q25 : 3.1 but isnt it a daft question??

Q26 : YES

Q27 : all material facts should be disclosed.

Q28 : iN an ideal world yes, but if the written process is good enough and complies this should be sufficient.

Q29 : YES but the insurance industry has managed to circumvent this and in practice does NOT work.

Q30 : this is most interesting, NO I do not because clients will take advantage of market volatilty to their own ends and why wouldnt they??? Possibly it could be stipulated that the investment would not be made for 5 working days but imagine the problems for the man on the street who wants to invest immediately, there is only so much the regulators can do to save the man from himself.

Q31 : See 30.

Q32 : See 30. Very difficult area, I believe that the client could sign away their rights to a full refund if the notice is exercised with a very short period but again they will take advantage of markets falling or maybe even rising.

Attachment :