

Notes for Completion of the Survey

You should read the HKMA circular of 5 July 2002 for background information about the new supervisory regime under the Banking (Amendment) Ordinance 2002 (BAO 2002) and the Securities and Futures Ordinance (SFO) before completing this survey form.

Note 1

For the purpose of Q.1(d), a reporting institution carries on an investment advisory business if it performs any of the following:

- for remuneration carries on a business of advising other persons concerning securities;
- for remuneration as part of a regular business issues analyses or reports concerning securities; or
- for remuneration pursuant to a contract or arrangement with a client, undertakes on behalf of the client the management of a portfolio of securities, including the arranging of purchases, sales, or exchanges of securities through a registered securities dealer or an exempt dealer.

Note 2

If the answer to Q.1(e) is “N”, then the reporting institution should ignore Q.3 to Q.6.

Note 3

Under the BAO 2002, a “relevant individual” in relation to a registered institution (RI) means an individual who performs for or on behalf of or by an arrangement with the institution any regulated function in a regulated activity. A “regulated function” in relation to a regulated activity carried on as a business by a RI means any function performed for or on behalf of or by an arrangement with the institution relating to the regulated activity, other than work ordinarily performed by an accountant, clerk or cashier.

As executive officers (EOs) perform regulated functions of regulated activities, they are also relevant individuals. In other words, relevant individuals include those persons who are expected to be appointed as EOs for the purpose of this survey.

Note 4

For the purpose of the total number of relevant individuals, those who are engaging/to be engaged in more than one type of regulated activity should only be counted **once**. In other words, the total number may not reflect a simple sum of the numbers reported in the column.

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Note 5

Please refer to the HKMA letter of 5 July 2002 concerning the enactment of the BAO 2002 and the SFO for general guidance on the appointment of EOs.

[Please provide us with organization chart(s) showing the internal rankings and reporting lines of the EO appointees.]

Note 6

The abbreviations “CE”, “ACE”, “D” and “m” stand for “Chief Executive”, “Alternate Chief Executive”, “Director” and “manager” respectively as defined in the Banking Ordinance. Please put a “Y” in the relevant boxes if the tentative EO appointees are currently holding any of these positions.

Note 7

Tentative EO appointees who are expected to be appointed for directly supervising more than one type of regulated activity should only be counted **once**.

Note 8

The terms “controlling entity relationship” and “client assets” are the same as those defined in Schedule 1 of the SFO.

Note 9

Exempt dealers, exempt investment advisers and licensed banks that engage in investment advisory activities will have a transitional period of two years from the commencement of the SFO to apply for migration to the new regime (please refer to the HKMA letter of 5 July 2002 concerning the enactment of the BAO 2002 and the SFO for more details on the transitional arrangements). During the transitional period they are deemed RIs. Nevertheless, deemed RIs are encouraged to submit their applications for registration to the SFC as early as possible during the transitional period. This will help to avoid an influx of applications towards the end of the transitional period, which may result in undue delays in processing by the regulators.

For your information, according to the draft Securities and Futures (Fees) Rules, deemed RIs which submit their applications to the SFC within the first year of the transitional period will enjoy a 5% discount on the applicable annual fees till the end of the transitional period.