



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Conduct Department

銀行操守部

Our Ref: B1/15C
G16/1C

2 September 2010

The Chief Executive
All Registered Institutions

Dear Sir / Madam,

**Circular Issued by the Securities and Futures Commission (SFC) Regarding
Code of Conduct Requirements with respect to Derivative Products**

I am writing to draw your attention to a circular issued by the SFC on 31 August 2010 ("the SFC Circular"). The SFC Circular reminds intermediaries to ensure compliance with the obligations under the SFC Code of Conduct when providing services to clients with respect to derivatives products, including investor characterization under the new paragraph 5.1A of the Code of Conduct which will come into effect in June 2011.

A copy of the SFC Circular is attached at Annex. Registered institutions are reminded to put in place appropriate measures to ensure that their staff are familiar with the risks and features of the investment products and comply with the applicable requirements when serving their clients.

Yours faithfully,

Meena Datwani
Executive Director (Banking Conduct)

Encl.

c.c. SFC (Attn: Mr Stephen Po, Senior Director of Intermediaries Supervision)

55th Floor, Two International Finance Centre,
8 Finance Street, Central, Hong Kong
Tel: (852) 2878 8100 Fax: (852) 2878 2100
E-mail: Meena_Datwani@hkma.gov.hk
Website: www.hkma.gov.hk

香港中環金融街8號國際金融中心2期55樓
電話: (852) 2878 8100 傳真: (852) 2878 2100
電郵: Meena_Datwani@hkma.gov.hk
網址: www.hkma.gov.hk