



Our Ref: B1/15C
G16/1C

28 April 2011

The Chief Executive
All Registered Institutions

Dear Sir / Madam,

Circular Issued by the Securities and Futures Commission (SFC) Regarding Report on Sponsor Theme Inspection Findings

I am writing to draw your attention to a circular issued by the SFC on 31 March 2011 on the SFC's Report on Sponsor Theme Inspection Findings ("the Report"), which summarises the findings of the special review on sponsors conducted by the SFC ("the SFC Circular"). In light of the findings, the SFC Circular reminds sponsors of the importance of compliance with the relevant regulatory requirements under the Listing Rules¹ (including the Practice Notes), the Sponsor Guidelines², the CFA Code³ and all other applicable requirements. A copy of the SFC Circular is attached herewith.

These regulatory requirements apply equally to the sponsor activities of Registered Institutions (RIs). RIs engaging in sponsor activities should study the Report carefully and put in place proper controls and procedures to ensure compliance with the regulatory standards, taking into account the findings set out in the Report. The HKMA will continue to monitor individual RIs' compliance with the relevant regulatory requirements in its supervisory process.

¹ Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Main Board Listing Rules**") and Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("**GEM Listing Rules**") (collectively, "**Listing Rules**")

² Additional Fit and Proper Guidelines for Corporations and Authorized Financial Institutions applying or continuing to act as Sponsors and Compliance Advisers

³ Corporate Finance Adviser Code of Conduct

Yours faithfully,

Meena Datwani
Executive Director (Banking Conduct)

Encl.

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