



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
G16/1C

11 May 2011

The Chief Executive
All Authorized Institutions

Dear Sir/ Madam,

Legislative amendment on structured products to take effect

I am writing to draw your attention to the attached press release issued by the Securities and Futures Commission (SFC) on 5 May 2011, which announces that the Securities and Futures and Companies Legislation (Structured Products Amendment) Ordinance 2011 (the Amendment Ordinance) will be gazetted on 13 May 2011 and take effect on the same day.

Upon the commencement of the Amendment Ordinance, the issue of advertisements and offer documents for structured products must be authorized by the SFC, unless otherwise exempted by the Securities and Futures Ordinance. The safe harbours in the 17th schedule to the Companies Ordinance will no longer be available to structured products in the form of shares and debentures.

Authorized Institutions offering or selling structured products should put in place adequate controls and procedures to ensure compliance with the Amendment Ordinance.

Yours faithfully,

Meena Datwani
Executive Director (Banking Conduct)

Encl.

c.c. SFC (Attn: Mr Stephen Po, Senior Director of Intermediaries Supervision and Ms Alice Law, Senior Director of Policy, China & Investment Products)