

We have a framework of control to manage our information security. During the year, we revised our information security policy to strengthen our level of security standards and to help staff observe security practices in their daily handling of information.

Independent checks and balances

We are subject to external checks and balances designed to ensure fairness in our decision making, observance of due process, and proper use of our regulatory powers. Other than scrutiny by the Process Review Panel and the Securities and Futures Appeals Tribunal, we are subject to judicial review by the courts and indirect oversight by the Office of the Ombudsman.

- **Process Review Panel:** An independent panel established by the CE in 2000, the panel has a membership of representatives from various community segments, the SFC chairman and a representative from the Secretary for Justice, both in an ex-officio capacity.
- **Securities and Futures Appeals Tribunal:** This is chaired by a High Court judge appointed by the CE and comprises two other members drawn from a panel appointed by the FS under delegated authority.

Independent body	Function	Tasks handled
Process Review Panel	<ul style="list-style-type: none"> ■ Reviews and advises on the adequacy of our procedures and guidelines, including those on handling of complaints, licensing and listing applications, inspection of intermediaries, product authorization, disciplinary/enforcement action, etc 	<ul style="list-style-type: none"> ■ Reviewed 57 selected cases (covering the period from October 2010 to September 2011) ■ Concluded that the SFC has, in general, adhered to established internal procedures and operational guidelines in its actions and decisions ■ Published the 10th report in September 2011
Securities and Futures Appeals Tribunal	<ul style="list-style-type: none"> ■ Reviews specified decisions made by the SFC ■ Has power to confirm, vary or set aside SFC decisions, substitute any other decision it considers appropriate, or remit the matter to the SFC with directions 	<ul style="list-style-type: none"> ■ Received request to review five cases of SFC regulatory decisions ■ Brought forward three cases from 2009-10 and 2010-11 ■ Issued decisions on three cases, allowed five to be withdrawn
Office of the Ombudsman	<ul style="list-style-type: none"> ■ Handles public complaints against SFC actions and its staff in the discharge of their duties 	<ul style="list-style-type: none"> ■ Conducted 13 preliminary inquiries upon receipt of complaint referrals
Courts	<ul style="list-style-type: none"> ■ Handles judicial reviews of SFC decisions 	<ul style="list-style-type: none"> ■ Heard one application for judicial review