



Frequently asked questions
handled by
Intermediaries Supervision

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Topics

- ❁ Contract Notes
- ❁ Client Securities
- ❁ FRR Returns
- ❁ Unsolicited Calls

Contract Notes

- ❁ A firm can retain documents in soft copy provided that it complies with the SFC's Guidance Note
- ❁ In the case of returned mail, a firm should exhaust all possible means of contacting the client to update the address and put in place control measures to detect or prevent unauthorized transactions in the meantime

Client Securities

- ❁ The only approved custodian for the purposes of these Rules is the Hong Kong Securities Clearing Company Limited.

FRR Returns

- ❁ A deemed licensed corporation which was an exempt person under the former regime would need to nominate a responsible officer for signing financial returns.
- ❁ A licensed corporation which is required to submit monthly financial return is not required to submit another set of semi-annual return for other regulated activities, say for advisory or asset management services.

FRR Returns (cont'd)

- ❁ For licensed corporations which are solely licensed for Type 4, 5, 6 and/or 9 and are not required to issue any monthly statements of account under the Contract Notes Rules, they do not need to report the number of active clients on Form 12.

Unsolicited Calls

A firm can

- ❁ organize seminars and other events provided that it only follows up upon request
- ❁ distribute pamphlets provided that its staff/ agents only talk to recipients upon request

Unsolicited Calls (cont'd)

A firms can also

- ❁ market ILAS or MPF schemes provided that they only discuss underlying securities upon request
- ❁ offer financial planning to the general public provided that it only offers products or services upon request
- ❁ cross sell products to existing clients