

# Significant Events 2004-2005

## 2004

### 1 April

The SFC secured a better fidelity insurance scheme for SEHK participants and a new scheme for HKFE participants.

### 12 May

The SFC published its Annual Report 2003-2004.



(From left) SFC EDs Mr Alan Linning, Mrs Alexa Lam, Chairman Mr Andrew Sheng and Mr Ashley Alder introduce the Annual Report at a press conference.

### 17-20 May

An SFC delegation participated in the 29th Annual Conference of IOSCO in Amman, Jordan, during which Mr Andrew Sheng was appointed Chairman of the IOSCO Technical Committee.



Dr Bassam Saket (left), Executive Chairman of Jordan Securities Commission, is welcomed by Mr Sheng at the SFC exhibition booth in Amman.

### 25 May

The SFC signed a Letter of Intent (LOI) with Indonesia's Ministry of Finance Capital Market Supervisory Agency (Bapepam) on the establishment of regulatory co-operation relating to investment funds.

### 15 June

The SFC issued a restriction notice on Charles Schmitt & Associates Limited following suspected misappropriation of assets of a fund. The SFC later obtained a Court judgement for appointing an administrator of its CEO's property.

### 29 July

The Financial Secretary re-appointed Mr Raymond Kwok as an SFC NED for two years, effective from 1 August 2004.

### 17 August

The SFC settled disciplinary proceedings against Towry Law (Asia) HK Limited by severely reprimanding it for failings related to two unauthorised hedge funds. Towry Law offered ex-gratia payments of \$255 million to over 1,000 investors.

### 22 September

The SFC successfully prosecuted Huafeng Textile International Group Limited and a director for providing false or misleading information, in the first prosecution under Dual Filing.

### 28 September

The SFC released a consultation paper on proposed measures to strengthen the regulatory framework for brokerage firms involved in securities margin financing.

### 19 October

The SFC and HKEx released consultation conclusions on the regulation of sponsors and independent financial advisers.

### 21 October

The Financial Secretary re-appointed Mr Alan Linning as ED of Enforcement for two years, effective from 1 November 2004, and agreed that Mr Peter Au-Yang, ED and COO, be redeployed to double-up as ED of Corporate Finance following the departure of Mr Ashley Alder.

### 3 November

The SFC published guidelines to address analyst conflicts of interest. The guidelines took effect on 1 April 2005.

### 5 November

The SFC launched its revamped corporate website and eIRC, with better contents and features.

### 8 November

The Insider Dealing Tribunal ordered disgorgement, penalties and costs amounting to \$250 million by four insider dealers involved in the case of Siu Fung Ceramics Holdings Limited.

### 23 November

The SFC was awarded the status of Approved Continuing Professional Development Employer by ACCA and accepted as an ACCA Accredited Employer. It was also awarded the Good People Management Award 2004 by the Labour Department in December.



### 24 November

The SFC signed a LOI with Thailand's Securities and Exchange Commission on the establishment of regulatory co-operation relating to investment funds.

### 25 November

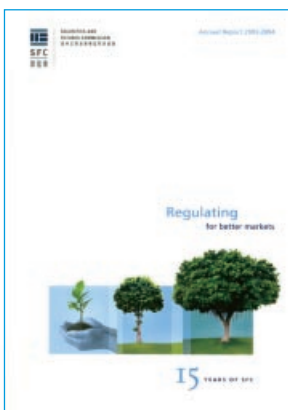
The SFC signed a MOU with the Philippine Securities and Exchange Commission on mutual assistance and exchange of information.



Mr Sheng exchanges the MOU with Mrs Fe B. Barin, Chairperson of the Philippine SEC.

### 25 November

Our Annual Report 2003-2004 won the Platinum Award in HKICPA's Best Corporate Governance Disclosure Awards 2004. It also won the Silver Award in the Best Annual Report Awards 2004 organised by the Hong Kong Management Association in December.



### 26 November

The SFC published guidelines to recommend disclosure of securities related fees and charges under standardised categories.

### 30 November

The SFC issued a consultation paper on a review of the Codes on Takeovers and Mergers and Share Repurchases.

### 17 December

In the first joint disciplinary action with HKEx against a sponsor for withholding information, the SFC settled an action against Oriental Patron Asia Limited and an executive with each agreeing not to act as sponsors for five and nine months respectively.

### 22 December

The SFC issued a consultation paper on the Investor Compensation Fund and proposed suspending the investor compensation levies when the fund assets reach \$1.4 billion.

### 31 December

The Financial Secretary appointed Mr Eddy Fong, Mr Kenneth Kwok and Professor Liu Pak Wai as SFC NEDs with effect from 1 January 2005, succeeding Mr Thomas Brian Stevenson, Mr Daniel Fung and Ms Anna Wu.



### 7 January

The Government and the SFC issued consultation papers to enhance the regulation of listing, by empowering the SFC to make rules to prescribe major listing requirements.

### 20 January

The SFC issued a consultation paper on proposed amendments to the disclosure of interests regime under Part XV of the SFO.

### 27 January

The SFC announced that ICEA Capital Limited had agreed to pay \$30 million to settle a disciplinary action regarding its role as the sponsor of Euro Asia Agricultural (Holdings) Company Limited.

### 23 February



The SFC released a report on a theme inspection of investment advisers, which identified some unsatisfactory selling practices.

The SFC's investor leaflet Questions to Ask When Seeking Investment Advice.

### 25 February

The Financial Secretary re-appointed Mrs Alexa Lam as ED of Intermediaries and Investment Products for three years, effective 1 March 2005.

### 30 March

The SFC issued a consultation paper on proposals to relax the geographical restriction on investments by SFC-authorized REITs.

### 31 March

The two-year transitional period for intermediaries to migrate to the single licensing regime under the SFO ended, with a high percentage of migration.