

# Significant Events 2002-2003

## 2002

### April 25

The SFC launched a new SFO section on its website as a one-stop shop to help the public understand the law.

### May 2

The SFC released the Hedge Funds Guidelines after public consultation, paving the way for the offering of hedge funds to the Hong Kong public.

### May 13

The independent Process Review Panel published its first annual report. It found that the SFC's internal procedures contained adequate checks and balances.

### May 15

A 12-episode investor education video drama entitled *Invest With Your Heads Up* began broadcasting on public transportation.



Popular artistes help convey investor education messages.

### June 24 & 25

The SFC hosted IOSCO's Asian Roundtable for Internet Project Team, where 60 representatives from 13 jurisdictions discussed trends and risk profile of securities trading on the Internet.



Arthur Docters van Leeuwen, Chairman of the Executive Board of the Securities Board of the Netherlands, chairs the Internet Project Team.

### July 25

HKEx consulted the public on listing criteria and delisting procedures. Prices of many low-priced stocks fell significantly on the following day. The Financial Secretary on 31 July appointed an independent Panel of Inquiry to look into the so-called Penny Stocks Incident.

### August 13

Raymond Kwok was re-appointed as a Non-Executive Director for one year.

### September 10

The Financial Secretary released the Penny Stocks Incident report, which made recommendations including early engagement of the market and the public when formulating policies.

### September 26

The SFC and the HKU co-organised a general education course on personal financial management. Prominent market commentators, experts, and SFC representatives were speakers.



Newspaper columnist Shek Kang Chuen talks to a packed room of students.

### September 26

The Financial Secretary appointed a three-man Expert Group to review Hong Kong's three-tier securities regulatory structure, particularly in relation to listing matters. The Group submitted its report to the Financial Secretary on 21 March 2003.

### September 30

The SFC joined an annual regional Internet Surf Day organised by the IOSCO to detect websites engaged in securities scams.

### October 1

The SFC amended the Financial Resources Rules to improve risk management of firms engaged in securities margin lending.

**October 3**

The appeals against the immediate prison sentences lodged by two convicted market manipulators of the shares of The Hong Kong Parkview Group Ltd were dismissed by the High Court.

**December 9**

The SFC published the Report of the Steering Committee on the Enhancement of Financial Infrastructure II, which outlines recommendations to make Hong Kong the preferred location in the Asian time zone for investors.

**December 12**

The SFC and the HKMA signed a new Memorandum of Understanding (MOU) on the regulation of banks' securities business under the SFO.

**December 13**

The Secretary for Financial Services and the Treasury announced the target to bring the SFO into operation on 1 April 2003.

**December 31**

Daniel Fung, T Brian Stevenson and Anna Wu were re-appointed as Non-Executive Directors for two years.

**2003****January 28**

The SFC and the Stock Exchange signed a new MOU for implementing the dual filing regime.

**February 21**

The SFC gazetted guidelines in the first of three stages of measures to facilitate offers of shares and debentures.

**February 27**

Alexa Lam was re-appointed as an Executive Director for two years.

**February 28**

The SFC's Audit Committee completed an independent inquiry into certain anonymous allegations against personnel matters. None of the allegations were found to be substantiated.

**March 3**

The SFC was admitted as a signatory of the IOSCO Multilateral Memorandum of Understanding (MMOU). Other signatories include regulators from the US, UK, Australia and Canada. The MMOU enhances regulatory co-operation and information sharing among signatories.

**March 7**

The SFC released a draft Code on Real Estate Investment Trusts (REITs) for public consultation.

**March 10**

The Academic and Accreditation Advisory Committee appointed the Hong Kong Securities Institute as an independent body to run qualifying exams.

**March 19**

The SFC obtained a bankruptcy order against the sole proprietor of Lawsons Securities Company following a series of regulatory actions to protect investors, which included the serving of a restriction notice and a *mareva* injunction.

**March 31**

In anticipation of the 1 April commencement of the SFO, the SFC published a booklet *SFO and You* and an expanded English-Chinese financial glossary, and launched a new Infoline telephone enquiry service and a more informative public register of licensees.



SFC Chairman Andrew Sheng (left) and Chief Counsel Andrew Young introduce the initiatives at a press conference.