

**SECURITIES AND FUTURES (INVESTOR COMPENSATION –
COMPENSATION LIMITS) RULES**

(Made by the Chief Executive in Council under
section 244(1) of the Securities and
Futures Ordinance (No. 5 of 2002)

PART I

PRELIMINARY

1. Commencement

These Rules shall come into operation on the day appointed for the commencement of Part XII of the Securities and Futures Ordinance (No. 5 of 2002).

2. Interpretation

(1) In these Rules, unless the context otherwise requires “Claims Rules” (《申索規則》) means the Securities and Futures (Investor Compensation – Miscellaneous) Rules (LN of 2002);

(2) In these Rules the expressions “associated person” (相聯者), “claimant” (申索人), “default” (違責), “related assets” (有連繫資產) and “specified person” (指明人士) have the respective meanings assigned to them in section 2 of the Claims Rules.

PART II

LIMITS ON AMOUNT OF COMPENSATION

3. Limits on payments to be made to claimants

(1) With regard to the losses that the Commission is satisfied have been suffered by a claimant -

- (a) as a result of a default committed by –
 - (i) a single specified person; or
 - (ii) any associated person of the specified person;
- (b) in relation to securities listed or traded, or to be listed or traded, on a recognized stock market and related assets of such securities,

the total amount of compensation that may be awarded to each claimant under section 9 of the Claims Rules must not exceed the sum of \$150,000.

(2) With regard to the losses that the Commission is satisfied have been suffered by a claimant -

- (a) as a result of a default committed by –
 - (i) a single specified person; or
 - (ii) any associated person of the specified person;

- (b) in relation to any futures contract listed or traded, or to be listed or traded, on a recognized futures market and related assets of such futures contract,

the total amount of compensation that may be paid to each claimant under section 9 of the Claims Rules must not exceed the sum of \$150,000.

(3) In determining the total amount of compensation to be paid to a claimant under section 9 of the Claims Rules, and in applying the limits prescribed in subsections (1) and (2), the Commission may aggregate separate claims for compensation by a claimant, or a number of claimants, if it is satisfied that the separate claims represent the losses suffered by one person arising out of the same default.

Clerk to the Executive Council,

COUNCIL CHAMBER

2002

Explanatory Note

These Rules are made by the Chief Executive in Council under section 244(1) of the Securities and Futures Ordinance (No. 5 of 2002). They prescribe the maximum amount of compensation that may be paid to a person making a claim from the fund under the Securities and Futures (Investor Compensation – Miscellaneous) Rules. These Rules must be read in the light of any Order made under section 80 of the Ordinance transferring functions of the Commission under these Rules to a recognized investor compensation company.