



**SECURITIES AND  
FUTURES COMMISSION**  
證券及期貨事務監察委員會

## **A Consultation Paper on the Securities and Futures (Fees) Rules**

《證券及期貨(費用)規則》諮詢文件

Hong Kong  
July 2002

香港  
2002年7月

## Consultation

This consultation document invites public comments on the draft Securities and Futures (Fees) Rules (the “draft Rules”). The Securities and Futures Commission (“SFC”) proposes to recommend to the Chief Executive in Council under section 395 of the Securities and Futures Ordinance (No. 5 of 2002) (the “Ordinance”) to make the draft Rules when it commences.

### Introduction

1. Under section 395 of the Ordinance, the Chief Executive in Council is empowered to:
  - (a) require and provide for payment of fees to the SFC and to prescribe fees—
    - i. for an application to the SFC under or pursuant to any of the relevant provisions;
    - ii. for anything done by the SFC or one of its committees in the performance of a function relating to takeovers and mergers or to share repurchases;
    - iii. for anything done by the SFC or one of its committees or the Monetary Authority in the performance of a function under any of the relevant provisions (other than the function referred to in (ii) above);
    - iv. for any other matter with regard to which provision is made by or under any of the relevant provisions;
  - (b) provide for payment to the SFC of fees and prescribe fees which the Ordinance provides are, or may be prescribed, specified or provided for by rules made under this section.
2. There are controls built into the legislative system, whereby any rules made by the Chief Executive in Council must be subject to negative vetting by the Legislative Council. The SFC now releases the draft Rules (see Attachment 1) for public consultation before recommending the Chief Executive in Council to make the rules under section 395 of the Ordinance.
3. The SFC has sent copies of this Consultation Document to all licensed intermediaries using the FinNet communication network. The public may obtain copies of the consultation document and the attachment free of charge at the SFC’s office and on the SFC’s Internet website at <http://www.hksfc.org.hk>.
4. The SFC invites the public to submit comments **no later than 24 August 2002**.

5. This consultation paper should be read in conjunction with the Consultation Document on Proposed Licensing Fees under the Securities and Futures (Fees) Rules which was released in March 2002 and the Consultation Conclusion on Proposed Licensing Fees under the Securities and Futures (Fees) Rules which was released in July 2002 as they set out the proposed licensing fees under the new licensing regime. The documents relating to the proposed licensing fees may be viewed on the SFC's Internet website at <http://www.hksfc.org.hk>.

### **Background and the Draft Rules**

6. All fees and charges payable to the SFC will be specified in the Rules. A copy of the draft Rules is attached (see Attachment 1). A table comparing the proposed fees under the draft Rules and the fees currently charged is also attached (see Attachment 2).
7. The draft Rules have been prepared having regard to the existing Securities and Futures Commission (Fees) Rules (the "existing Rules") which are made under section 54 of the Securities and Futures Commission Ordinance.

### ***Fees in respect of corporate finance matters***

8. No new policy initiatives or changes to fees in respect of corporate finance matters have been made in the draft Rules. The fees in respect of corporate finance matters appear in Part III of the draft Rules, Schedule 1 (in the part entitled "Fees under the Companies Ordinance (Cap.32)") and Schedule 2 to the draft Rules and are based on the fees charged under the existing Rules. Part III of the draft Rules contains minor amendments which are intended to clarify existing practice under the existing Rules and the Codes on Takeovers and Mergers and Share Repurchases.

### ***Fees relating to the disclosure of interests***

9. Part XV of the Ordinance sets out requirements in respect of disclosure of interests. The fee payable for exemption under section 309 of the Ordinance is the same fee as is payable under section 2A of the Securities (Disclosure of Interests) Ordinance (Cap. 396) which has remained fixed for over 10 years. One new fee has been added. This fee relates to the approval of persons as approved lending agents under the provisions of the Securities and Futures (Disclosure of Interests – Stock Borrowing and Lending) Rules. The fee payable on application is fixed at the same level as the fees payable for exemption under section 309 of the Ordinance as the work involved in approving applications is thought to be of a similar order.

### ***Fees in respect of requirements applicable to intermediaries***

10. The fees proposed for granting modifications, waivers, approvals and recognition for the purposes of the different sets of rules setting out requirements in respect of capital, client assets, records and audit for intermediaries are contained in Schedule 1 to the Rules in:-
  - (a) item 43 (e) to (j) and item 44 under Miscellaneous Fees; and
  - (b) the part entitled "Fees under Part VI of the Ordinance".

There are hardly any new policy initiatives as the fees proposed generally seek to standardize the fee scale under the existing Rules which ranges from \$4,500 to \$8,000. The only exception is that since these requirements will now also apply to associated entities of intermediaries, associated entities will need to pay these fees as well upon making an application for modification, etc.

### ***Fees in respect of investment products***

11. With the adoption of a single notion of “collective investment scheme” in Part IV of the Ordinance, the policy intention is to streamline and rationalize the fee structures for all collective investment schemes. The intention is to ensure that there is a level playing field for all collective investment schemes in respect of the fees required to be paid to the SFC regardless of whether they are structured in the form of a trust, corporation or policy contract. Further details of the proposed changes as well as the background leading to this proposal are set out below.
12. Part IV of the Ordinance deals with the regulatory framework for offers of investments. It contains a general prohibition on the issue to the public of advertisements, invitations and documents relating to a wide range of investments. These investments mainly fall into a category described as “collective investment schemes”.
13. A breach of this general prohibition is an offence, but the prohibition is subject to a number of exemptions. One important exemption is related to the issue of advertisements, invitations and documents that is authorized by the SFC under section 105 of the Ordinance.
14. Apart from authorizing the issue of advertisements, invitations and documents, section 104 of the Ordinance also empowers the SFC to authorize the collective investment schemes themselves.
15. There are fees payable to the SFC in relation to the authorization under sections 104 and 105 of the Ordinance. These fees are set out in the draft Rules (see “Fees Under Part IV of the Ordinance” in Schedule 1 to the draft Rules) having regard to the matters contained in the existing Rules.
16. It is worth noting, however, that the fee descriptions in the existing Rules do not focus on the investments themselves, but on the question of whether the authorization power of the SFC is exercised under the Securities Ordinance (Cap. 333) or the Protection of Investors Ordinance (Cap. 335). Such descriptions have caused some confusion to market participants in the past and created different fee structures for investments that are subject to the Securities Ordinance, such as unit trusts and mutual fund corporations, and those subject to the Protection of Investors Ordinance, such as investment-linked assurance schemes and MPF schemes. The overall effect under the existing Rules is that while the underlying funds of unit trusts and mutual fund corporations are, to a certain extent, treated as separate investments and thus subject to additional fees, sponsors of investment-linked assurance schemes and MPF schemes do not need to pay any fees for their underlying funds. Although these investments are structured differently, they are, to a large extent, functionally similar in nature.

17. Accordingly, the SFC is proposing to streamline and rationalize the fee structures for all collective investment schemes regardless of whether they are structured in the form of a trust, corporation or policy contract. The proposed fees are contained in Schedule 1 to the draft Rules under “Fees Under Part IV of the Ordinance”.
18. No proposal is made to change the fee levels as set out in the existing Rules. It is, however, envisaged that certain schemes the documentation for which are currently authorized under the Protection of Investors Ordinance as mentioned above may end up paying higher aggregate fees under the draft Rules as their underlying funds would also be subject to certain fees as in the case of unit trusts and mutual fund corporations authorized under the Securities Ordinance.
19. With a view to minimizing the potential impact on scheme sponsors and reducing their regulatory costs, we intend not to charge for those underlying funds of a collective investment scheme which are already maintained by, or within, another authorized scheme.
20. As an illustration, Company A has submitted an application for authorization of an investment-linked assurance scheme within which there are four underlying funds. According to the draft Rules, Company A is required to pay an application fee for the scheme as well as the four underlying funds which is equal to \$40,000 plus \$5,000 times four. Upon authorization, Company A is also required to pay an authorization fee equal to \$20,000 plus \$2,500 times four and an annual fee equal to \$7,500 plus \$4,500 times four. However, if Company A later submits an application for authorization of another investment-linked assurance scheme with the same underlying funds, it would only need to pay an application fee of \$40,000, an authorization fee of \$20,000 and an annual fee of \$7,500. It would not need to pay any additional fees in relation to the four underlying funds of the new scheme.

### ***Fees in respect of licensing***

21. As mentioned above, the public was consulted in March/April 2002 on the proposed licensing fees and related policy initiatives for the Securities and Futures (Fees) Rules. In the Consultation Conclusions on Proposed Licensing Fees under the Securities and Futures (Fees) Rules, the SFC stated that it would adopt almost all of the fees proposed in Consultation Document on Proposed Licensing Fees, although certain additional fee waivers would be added to the Rules so that, during the transitional period, existing licensees or exempt persons would not incur extra licensing costs over and above the amounts that they are currently required to pay under the existing regime. The draft Rules give effect to the conclusions regarding the proposed licensing fees in section 12(2) and (3) (waiver of fees), section 13 (transitional), Schedule 1 (in the part entitled “Fees under Part V of the Ordinance”) and Schedules 3 and 4 (further transitional provisions).
22. As the draft Rules only seek to implement the outcome of the consultation on the licensing fees, comments are not being solicited on the level of the fees (except for items 43(e)-(j) and 44 of Schedule 1 to the draft Rules) or the principles relating to the licensing fees provisions.

***Fees in respect of providing Automated Trading Services under Part III of the Ordinance***

23. Sections 95 to 101 in Part III of the Ordinance introduce the authorization of Automated Trading Services (ATS). In March 2001, the public was consulted on proposed guidelines on how ATS would be authorized or licensed and how they would be regulated. In February 2002, the consultation conclusions and the final Guidelines for the Regulation of Automated Trading Services (Guidelines) were published after taking into account the public's comments. These Guidelines set out the principles, procedures and standards in relation to the authorization, registration and licensing of persons by the SFC for provision of ATS. The application procedures and ongoing requirements for ATS are detailed in the Guidelines at Part F.
24. The fees as proposed at Schedule 1 of the Fees Rules, cover the cost of processing an application for authorization to provide ATS as well as the ongoing costs of maintaining the authorization under section 95(2)(a) of the Ordinance. The fees cover all the costs for authorization; separate registration (and the payment of the associated fees) for the responsible persons of an ATS will not be necessary. Upon the commencement of the Ordinance, existing approved overseas exchanges that wish to continue to provide ATS in Hong Kong may need to be authorized as ATS providers under Part III of the Ordinance. Applicants for authorization will be required to pay the application fee and, once authorized, the ongoing annual fee. Any existing registered persons who wish to be authorized under Part III, instead of being registered under Part V of the Ordinance, may also apply.

**Other matters**

25. Please note that the names of the commentators and the contents of their submissions may be published on the SFC web site and in other documents to be published by the SFC. In this connection, please read the Personal Information Collection Statement attached to this consultation paper.
26. You may not wish your name to be published by the SFC. If this is the case, please state that you wish your name to be withheld from publication when you make your submission.
27. Written comments may be sent -

By mail to: SFC (Fees Rules)  
12/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

By fax to: (852) 2293-5963

By on-line submission at: <http://www.hksfc.org.hk>

By e-mail to: [fees\\_rules@hksfc.org.hk](mailto:fees_rules@hksfc.org.hk)

28. The draft Rules should be read in conjunction with the Securities and Futures Ordinance itself.

## **Personal Information Collection Statement**

1. This Personal Information Collection Statement (“PICS”) is made in accordance with the guidelines issued by the Privacy Commissioner for Personal Data. The PICS sets out the purposes for which your Personal Data<sup>1</sup> will be used following collection, what you are agreeing to with respect to the SFC’s use of your Personal Data and your rights under the PDPO.

### **Purpose of Collection**

2. The Personal Data provided in your submission to the SFC in response to this Consultation Paper may be used by the SFC for one or more of the following purposes:
  - to administer the relevant Ordinances, rules, regulations, codes and guidelines
  - made or promulgated pursuant to the powers vested in the SFC
  - for the purposes of performing the SFC’s statutory functions under the relevant Ordinances
  - for research and statistical purposes
  - other purposes permitted by law

### **Transfer of Personal Data**

3. Personal Data may be disclosed by the SFC to the members of the public in Hong Kong and elsewhere, as part of the public consultation on the Consultation Paper. The names of persons who submit comments on the Consultation Paper together with the whole or part of their submission may be disclosed to members of the public. This will be done by publishing this information on the SFC web site and in documents to be published by the SFC throughout and at the conclusion of the consultation period.

### **Access to Data**

4. You have the right to request access to and correction of your Personal Data in accordance with the provisions of the PDPO. Your right of access includes the right to obtain a copy of your Personal Data provided in your submission on the Consultation Paper. The SFC has the right to charge a reasonable fee for processing any data access request.

### **Enquiries**

5. Any enquiries regarding the Personal Data provided in your submission on the Consultation Paper, or requests for access to Personal Data or correction of Personal Data, should be addressed in writing to:

The Data Privacy Officer  
The Securities and Futures Commission  
12/F, Edinburgh Tower, The Landmark  
15 Queen’s Road Central, Hong Kong

A copy of the Privacy Policy Statement adopted by the SFC is available upon request.

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<sup>1</sup> Personal Data means personal data as defined in the Personal Data (Privacy) Ordinance, Cap 486 (“PDPO”)



**SECURITIES AND FUTURES (FEES) RULES**

(Made by the Chief Executive in Council under section 395  
of the Securities and Futures Ordinance (5 of 2002)  
after consultation with the Securities and  
Futures Commission)

**PART I**

**PRELIMINARY**

**1. Commencement**

These Rules shall come into operation on the day on  
which Part XVI of the Securities and Futures Ordinance (5 of  
2002) comes into operation.

**PART II**

**APPLICATION FEES, ANNUAL FEES, ETC.**

**2. Fees**

The fees specified in these Rules shall be payable to  
the Commission.

**3. Date for payment of annual fees**

Where an annual fee is specified in Schedule 1 in  
relation to a collective investment scheme -

- (a) the first annual fee shall be payable on or

- before the date on which authorization under section 104 of the Ordinance takes effect; and
- (b) subsequent annual fees shall be payable on or before each successive anniversary of the date on which the authorization took effect.

#### **4. Non-payment of fees**

(1) Subject to section 11, where a fee specified in Schedule 1 is payable in respect of an application, the Commission may refuse to accept any such application which is not accompanied by the fee.

(2) Subject to section 11, where a fee specified in Schedule 1 is payable in respect of an authorization by the Commission, or in respect of an extension of any such authorization, the authorization or extension shall not take effect until the fee is paid.

(3) Where a fee specified in Schedule 1 is payable in respect of any other matter, the Commission may refuse to deal with the matter until the fee is paid.

(4) Subject to section 11, where an annual fee is specified in Schedule 1 in relation to an authorization and the annual fee is not paid, the authorization shall not take effect or shall cease to have effect (as the case may be) on the day following the last date by which payment is required under the Ordinance or these Rules.

### PART III

#### FEES RELATING TO TAKEOVERS, MERGERS AND SHARE REPURCHASES

##### 5. Interpretation (Part III)

In this Part -

"circular" (通告) means a document required to be filed with the Executive in connection with an off-market share repurchase in accordance with the Share Repurchase Code;

"Codes" (《守則》) means the Share Repurchase Code and the Takeovers Code;

"Executive" (執行人員) means the Executive Director of the Corporate Finance Division of the Commission or any delegate of the Executive Director;

"offer document" (要約文件) means a document required to be filed with the Executive in connection with an offer in accordance with the Takeovers Code or a general offer in accordance with the Share Repurchase Code;

"offeree company" (受要約公司) means a corporation for which an offer is made in accordance with the Takeovers Code;

"Panel" (委員會) means the committee of the Commission known as the Takeovers and Mergers Panel;

"relevant share capital" (有關股本), in relation to a corporation, means shares of any class comprised in its equity share capital and securities which carry a right to subscribe to or purchase such shares;

"ruling" (裁定) includes any ruling, waiver, consent, decision, confirmation or other determination in writing, made under either of the Codes by the Executive, the Panel or

the Takeovers Appeal Committee;

" Share Repurchase Code" (《股份購回守則》) means the code published by the Commission under section 399(2)(b) of the Ordinance and as amended from time to time;

" Takeovers Appeal Committee" (收購上訴委員會) means the committee of the Commission known as the Takeovers Appeal Committee;

" Takeovers Code" (《收購守則》) means the code published by the Commission under section 399(2)(a) of the Ordinance and as amended from time to time;

"whitewash document" (清洗交易文件) means a circular required to be submitted to the Executive under Note 1 on dispensations from Rule 26 of the Takeovers Code and the Whitewash Guidance Note in Schedule VI to the Codes.

#### **6. Fees relating to offer documents, whitewash documents and circulars**

(1) The submission to the Executive of the first draft of an offer document, a whitewash document or a circular for comment shall be accompanied by a fee payable to the Commission the amount of which shall be determined in accordance with the provisions of this section.

(2) For the purposes of subsection (1), the fee set out in column 2 of Schedule 2 shall be payable in respect of such value set out, opposite the fee, in column 1 of that Schedule as is equivalent -

(a) in the case of an offer document, to the value of the offer contained in it or, where the offer document contains alternative offers to the same offeree company or 2 or more offers

of different values to different offeree companies, to the value of the offer which has the lower or lowest value, or where an offer may result in variable values, to the lowest value;

- (b) in the case of a circular, to the value of the offer contained in it; or
- (c) in the case of a whitewash document, to the value of the offer that would have been required to be made under Rule 26 of the Takeovers Code in the absence of a waiver under Note 1 on dispensations from Rule 26 of the Takeovers Code and the Whitewash Guidance Note in Schedule VI to the Codes, or where an offer may result in variable values, to the lowest value.

(3) Where an offer by reference to the value of which a fee has been determined in accordance with subsection (2) is replaced by a revised offer, the submission to the Executive of the revised offer shall be accompanied by a fee payable to the Commission the amount of which shall be the difference between -

- (a) the fee previously paid under subsection (1) on submission of the relevant draft offer document or circular; and
- (b) the fee that would have been payable under subsection (1) had the revised offer been included in such draft offer document or circular.

(4) For the purposes of this section, the value of an offer contained in an offer document, a whitewash document or

a circular -

- (a) shall be its value, but only in so far as it relates to the relevant share capital in the offeree company in the case of an offer under the Takeovers Code, or in the company issuing the offer document or the circular under the Share Repurchase Code (as the case may be); and
- (b) in the case of an offer under the Takeovers Code that includes an offer to acquire shares in the offeree company in exchange for securities, shall be calculated by reference to the value of the securities so offered on the date when the offer is made.

(5) The payment of a fee payable under this section shall be accompanied by a statement showing the value of the offer and the manner in which the fee is determined having regard to subsection (4).

**7. Fees for applications to the Panel and the Takeovers Appeals Committee**

Where, pursuant to either of the Codes, a person other than the Executive applies to the Panel for a review of any ruling of the Executive, or applies to the Takeovers Appeals Committee for a review of the appropriateness of any sanction imposed by the Panel -

- (a) the application for the review shall be accompanied by a fee of \$50,000 payable to the Commission; and
- (b) in respect of each day or part of a day in

excess of the first 2 days on which the Panel or the Takeovers Appeals Committee meets for the purposes of the review, the applicant shall, within 30 days after the delivery by the Panel or the Takeovers Appeals Committee (as the case may be) of its ruling, pay an additional fee of \$20,000 to the Commission.

**8. Fees for hearings concerning compliance with the Codes or any rulings under them**

(1) Where a hearing takes place before the Panel in any disciplinary proceedings instituted under section 12 of the Introduction to the Codes, a fee, the amount of which shall be determined in accordance with subsection (3), shall, within 30 days after the delivery by the Panel of its ruling, be payable to the Commission by any person who in the opinion of the Panel -

- (a) has caused unnecessary expense to be incurred in connection with the investigation of the allegation or the conduct of the hearing; or
- (b) has committed a breach of either of the Codes or of a ruling.

(2) Where the hearing referred to in subsection (1) is held for the purposes of deliberating the appropriate sanction to be imposed upon a person who has agreed that he is in breach of either of the Codes or of a ruling, a fee, the amount of which shall be determined in accordance with subsection (3), shall, within 30 days of the delivery by the Panel of its ruling, be payable to the Commission by the person.

(3) The fee payable under subsections (1) and (2) shall

be \$50,000 and, in addition, \$20,000 in respect of each day or part of a day in excess of the first 2 days on which the Panel meets for the purposes of hearing the proceedings.

**9. Fees for miscellaneous applications**

(1) An application to the Executive for any ruling under either of the Codes and for which no fee is otherwise provided by these Rules shall be accompanied by a fee of \$24,000 payable to the Commission.

(2) For the purposes of this section, if a fee is payable under section 6 in relation to the submission of a whitewash document, an application to the Executive for a waiver under Note 1 on dispensations from Rule 26 of the Takeovers Code and the Whitewash Guidance Note in Schedule VI to the Codes shall not be required to be accompanied by the fee referred to in subsection (1) payable to the Commission.

**10. Non-payment of fees**

Subject to section 11, where a fee is required by this Part to accompany an application or the submission of a document, the application or the submission shall not be entertained until the fee is paid.

**PART IV**

**MISCELLANEOUS**

**11. Waiver of fees**

(1) The Commission may waive or refund, in whole or in



part, the payment of any fee prescribed by these Rules for any person or class of persons if it is of the opinion that otherwise the fee would be unduly burdensome or inappropriate.

(2) Where a corporation, an authorized financial institution or an individual -

(a) is, or applies to be, licensed or registered for Type 1 or Type 2 regulated activity under section 116, 119, 120 or 126 of the Ordinance; and

(b) is, or applies to be, licensed or registered for Type 7 regulated activity under section 116, 119, 120 or 126 of the Ordinance,

the application fee and the annual fee payable under Part V of the Ordinance in respect of Type 7 regulated activity shall be waived if the carrying on of Type 7 regulated activity is incidental to the carrying on of Type 1 or Type 2 (as the case may be) regulated activity.

(3) The fee required to be paid by a licensed representative or licensed corporation in item [29] of Schedule 1 or a registered institution in item [40] of that Schedule shall be waived if the application is incidental to any other application for which a fee is payable as prescribed in that Schedule.

## **12. Transitional**

(1) Notwithstanding the repeal of the Securities and Futures Commission (Fees) Rules (Cap. 24 sub. leg.) under section 406 of the Ordinance and without prejudice to the provisions of section 23 of the Interpretation and General Clauses Ordinance (Cap. 1), any fee which may be recovered by

the Commission under section 10(2) of those Rules immediately before the commencement of these Rules may continue to be so recovered by the Commission as if those Rules had not been repealed.

(2) Notwithstanding the repeal of the Leveraged Foreign Exchange Trading (Fees) Rules (Cap. 451 sub. leg.) under section 406 of the Ordinance and without prejudice to the provisions of section 23 of the Interpretation and General Clauses Ordinance (Cap. 1), any fee which may be recovered by the Commission under section 4(3) of those Rules immediately before the coming into operation of these Rules may continue to be so recovered by the Commission as if those Rules had not been repealed.

(3) The transitional provisions set out in Schedule 3 shall apply for a period of two years from the commencement of Part V of the Ordinance.

#### SCHEDULE 1

[ss. 3, 4 & 11  
& Sch. 3]

#### APPLICATION FEES, ANNUAL FEES, ETC.

<b>Item</b>	<b>Description</b>	<b>Fee</b>
		<b>(\$)</b>
<b>Fees under Part III of the Ordinance</b>		
1.	Fee payable on application under section 95(2)(a) of the Ordinance for authorization to provide automated trading services	10,000

- |    |  |            |
|----|--|------------|
| 2. | Annual fee payable by an authorized automated trading services provider approved under section 95(2)(a) of the Ordinance | 10,000     |
| 3. | Fee payable to obtain under section 99(5)(b) a copy of an entry in, or extract of, the register                          | 9 per page |

### **Fees under Part IV of the Ordinance**

#### **Collective investment schemes**

- |    |  |   |
|----|--|---|
| 4. | Fee payable on application under section 104(1) of the Ordinance for -                       |   |
|    | (a) authorization of a collective investment scheme -  | 40,000, plus  |
|    | (i) within which there is, or could be, more than one fund; or                               | 5,000 for each fund in respect of which authorization is sought (unless the fund is within or maintained by another collective investment scheme which has been authorized) |
|    | (ii) that maintains, or is capable of maintaining more than one fund                         |   |
|    | (b) authorization of any other collective investment scheme                                  | 20,000  |
|    | (c) extension of authorization of a collective investment scheme to cover an additional fund | 5,000 (unless the fund is within or maintained by another collective investment scheme which has been authorized)   |

5. Fee payable in respect of -
- |   |   |
|---|---|
| <p>(a) authorization under section 104 of the Ordinance of a collective investment scheme -</p> <p>(i) within which there is, or could be, more than one fund; or</p> <p>(ii) that maintains, or is capable of maintaining more than one fund</p> | <p>20,000, plus 2,500 for each fund in respect of which authorization is sought (unless the fund is within or maintained by another collective investment scheme which has been authorized)</p> |
| <p>(b) authorization under section 104 of the Ordinance of any other collective investment scheme</p>   | <p>10,000</p>   |
| <p>(c) extension of authorization under section 104 of the Ordinance of a collective investment scheme to cover an additional fund</p>  | <p>2,500 (unless the fund is within or maintained by another collective investment scheme which has been authorized)</p>  |
6. Annual fee payable in respect of authorization under section 104 of the Ordinance which is not limited to a period of less than 12 months -
- |  |  |
|--|--|
| <p>(a) in the case of an authorized collective investment scheme -</p> <p>(i) within which there is, or could be, more than one fund; or</p> <p>(ii) that maintains, or is capable of maintaining more than one fund</p> | <p>7,500 plus 4,500 in respect of each fund (unless the fund is within or maintained by another collective</p> |
|--|--|

	more than one fund	investment scheme which has been authorized)
	(b) in the case of any other authorized collective investment scheme	6,000
7.	Fee payable on application for extension of the period of authorization of any collective investment scheme where authorization under section 104 of the Ordinance is limited to a period of less than 12 months	20,000
	<b>Authorization of the issue of advertisements, etc.</b>	
8.	Fee payable on application under section 105(1) of the Ordinance for authorization of the issue of an advertisement, invitation or document in respect of any securities, regulated investment agreements or collective investment schemes which have not been authorized under section 104 of the Ordinance or which are no longer so authorized	20,000
9.	Fee payable in respect of authorization under section 105 of the Ordinance for the issue of an advertisement, invitation or document in respect of any securities, regulated investment agreements or collective investment schemes which have not been authorized under section 104 of the Ordinance or which are no longer so authorized	10,000
10.	Fee payable on application to modify a previous authorization under section 105 of the Ordinance for an advertisement, invitation or document in relation to -	
	(a) any instrument specified in Part 2 of Schedule 4 to the Ordinance	3,000

	(b) any certificate of deposit	3,000
	(c) any securities other than interests in a collective investment scheme	3,000
11.	Where authorization is sought under section 105 of the Ordinance for any advertisement, invitation or document, and any fee otherwise payable under item [8] or [9] is waived by the Commission under section 11 of these Rules -	
	(a) fee payable on application	1,200
	(b) fee payable in respect of authorization	600
12.	Fee payable where documentation is submitted to the Commission requiring its consideration and advice on the application of Part IV of the Ordinance and on the authorization for registration of a prospectus under section 38D or 342C of the Companies Ordinance (Cap. 32)	10,000

**Fees under Part V of the Ordinance**

13.	Fee payable on application by a corporation under section 116 of the Ordinance for a licence to carry on any one type, and for each additional type, of regulated activity other than Type 3 regulated activity	4,740
14.	Fee payable on application by an individual under section 120 of the Ordinance for a licence to carry on any one type, and for each additional type, of regulated activity other than Type 3 regulated activity	1,790
15.	Fee payable on application by a corporation under section 116 of the Ordinance for a licence to carry on Type 3 regulated activity	129,730

16.	Fee payable on application by an individual under section 120 of the Ordinance for a licence to carry on Type 3 regulated activity	2,420
17.	Additional fee payable on request by an individual under section 120(2) of the Ordinance for a provisional licence	800
18.	Fee payable on application by a corporation under section 117 of the Ordinance for a temporary licence to carry on any one type, and for each additional type, of regulated activity	4,900
19.	Fee payable on application by an individual under section 121 of the Ordinance for a temporary licence to carry on any one type, and for each additional type, of regulated activity	1,850

**Application fees for changes to a licence**

20.	Fee payable on application by a licensed representative under section 122(1) of the Ordinance for approval of any accreditations, which are not already specified in the applicant's licence	200
21.	Fee payable on application by a licensed representative under section 122(2) of the Ordinance for the approval of transfer of accreditation, for each type of regulated activity	200
22.	Fee payable on application by a licensed representative under section 126(1) of the Ordinance for approval as a responsible officer, for each type of regulated activity	2,950
23.	Fee payable on application by a licensed corporation under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by adding any one type of regulated activity other than Type 3 regulated activity	4,740

24.	Fee payable on application by a licensed corporation under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by adding Type 3 regulated activity	129,730
25.	Fee payable on application by a licensed corporation under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by removing any one type of regulated activity (unless ceasing to be licensed for all types of regulated activity)	200
26.	Fee payable on application by a licensed representative under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by adding any one type of regulated activity other than Type 3 regulated activity	1,790
27.	Fee payable on application by a licensed representative under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by adding Type 3 regulated activity	2,420
28.	Fee payable on application by a licensed representative under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by removing any one type of regulated activity (unless ceasing to be licensed for all types of regulated activity)	200
29.	Fee payable on application by a licensed corporation or licensed representative for the grant of a licence in the circumstances where the licensed corporation or licensed representative has substantially changed its or his particulars since the grant of its existing licence	200

**Annual fees for licensed persons**



30.	Annual fee payable under section 138(1) of the Ordinance by a corporation licensed under section 116 of the Ordinance, for each type of regulated activity for which it is licensed other than Type 3 regulated activity	4,740
31.	Annual fee payable under section 138(1) of the Ordinance by an individual licensed under section 120 of the Ordinance, for each type of regulated activity for which he is licensed other than Type 3 regulated activity	1,790
32.	Annual fee payable under section 138(1) of the Ordinance by an individual licensed under section 120 of the Ordinance and approved under section 126(1) of the Ordinance as a responsible officer, for each type of regulated activity for which he is licensed other than Type 3 regulated activity	4,740
33.	Annual fee payable under section 138(1) of the Ordinance by a corporation licensed under section 116 of the Ordinance for Type 3 regulated activity	129,730
34.	Annual fee payable under section 138(1) of the Ordinance by an individual licensed under section 120 of the Ordinance for Type 3 regulated activity	2,420
35.	Annual fee payable under section 138(1) of the Ordinance by an individual licensed under section 120 of the Ordinance and approved under section 126(1) of the Ordinance as a responsible officer for Type 3 regulated activity	5,370

**Fees for registered institutions**

36.	Fee payable on application by an authorized financial institution under section 119(1) of the Ordinance for registration as a registered institution to carry on any one type, and for each	23,500
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	additional type, of regulated activity	
37.	Annual fee payable under section 138(1) of the Ordinance by a registered institution, for each type of regulated activity for which it is registered	35,000
38.	Fee payable on application by a registered institution under section 127 of the Ordinance to vary the regulated activity specified in the applicant's certificate of registration by adding any one additional type of regulated activity	23,500
39.	Fee payable on application by a registered institution under section 127 of the Ordinance to vary the regulated activity specified in the applicant's certificate of registration by removing any one type of regulated activity (unless ceasing to be registered for all types of regulated activity)	200
40.	Fee payable on application by a registered institution for the grant of a certificate of registration in the circumstances where the registered institution has substantially changed its particulars since the grant of its existing certificate	200

#### **Miscellaneous fees**

41.	Fee payable on application under section 130 of the Ordinance for approval of any premises for keeping records or documents required under the Ordinance	1,000
42.	Fee payable on application under section 132 of the Ordinance for approval to become or continue to be a substantial shareholder of a corporation licensed under section 116 of the Ordinance	3,000
43.	Fee payable on application under section 134(1) of the Ordinance for a modification or waiver in respect of -	

(a)	any condition specified in section 118 of the Ordinance or imposed under section 116, 117, 119, 120, 121, 126 or 132 or any of the requirements of s.121(2)(a) of the Ordinance	2,000
(b)	any of the requirements of sections 116(2)(b) and 125(1) and (2) of the Ordinance	2,000
(c)	any of the requirements of sections 116(2)(c) and 130 of the Ordinance	2,000
(d)	any of the requirements of section 129 of the Ordinance	4,000
(e)	any of the requirements of rules made under section 145 of the Ordinance (except one relating to hedging or arbitrage programmes)	6,000
(f)	any of the requirements of rules made under section 145 of the Ordinance, relating to hedging or arbitrage programmes	
	-	
	(i) where at least one side of the portfolio is less than \$10,000,000;	10,000
	(ii) in any other case	20,000
(g)	any of the requirements of rules made under section 148 of the Ordinance	6,000
(h)	any of the requirements of rules made under section 149 of the Ordinance	6,000
(i)	any of the requirements of rules made under section 151 of the Ordinance	6,000
(j)	any of the requirements of rules made under section 152 of the Ordinance	6,000

44.	Fee payable for renewal of a waiver or modification referred to in item 43(e), (f), (g), (h), (i) or (j)	4,000
45.	Fee payable on application under section 124(1) of the Ordinance for a duplicate licence or certificate of registration	200
46.	Fee payable to obtain under section 136(5)(b) of the Ordinance a copy of an entry in, or extract of, a register maintained under section 136(1) of the Ordinance	9 per page
47.	Fee payable for certification of a copy of a document as a true copy under section 136(6)(b) of the Ordinance	200
48.	Fee payable for a copy of a document for which no fee is otherwise specified in this Schedule	9 per page

**Fees under Part VI of the Ordinance**

49.	Fee payable on application for any approval for the purposes of rules made under section 145 of the Ordinance	6,000
50.	Fee payable for renewal of an approval referred to in item [49]	4,000
51.	Fee payable on application for any approval for the purposes of rules made under section 148 of the Ordinance of any company or overseas company as suitable for safe custody of client securities and collateral	6,000
52.	Fee payable for renewal of an approval referred to in item [51]	4,000
53.	Fee payable on application for any approval of a person with whom segregated accounts can be established and maintained for the purposes of rules made under section 149 of the Ordinance	6,000
54.	Fee payable for renewal of an approval referred to in item [53]	4,000

55. Fee payable on application by a licensed corporation or an associated entity of a licensed corporation -
- (a) under section 155(3)(a) of the Ordinance, for approval to alter its financial year end 2,000
  - (b) under section 155(3)(b) of the Ordinance, for approval to adopt a period exceeding 12 months as its financial year 2,000
  - (c) for approval of the matters specified in paragraphs (a) and (b) on the same occasion 2,000
  - (d) under section 156(4) of the Ordinance, for extension of the period within which to lodge the requisite documents 2,000

**Fees under Part XV of the Ordinance**

56. Fee payable on application under section 309(2) or (3) of the Ordinance for an exemption from all or any of the provisions of Part XV of the Ordinance 24,000
57. Fee payable on application by a corporation under section [6] of the Securities and Futures (Disclosure of Interests - Securities Borrowing and Lending) Rules (L.N. of 2002) for approval as an approved lending agent 24,000

**Fees under the Companies Ordinance  
(Cap. 32)**

58. Fee payable on application for authorization for registration of a prospectus under the Companies Ordinance (Cap. 32) -
- (a) in the case of rights issue prospectus 15,000

(b)	in the case of Eurobond issue prospectus	15,000
(c)	in the case of warrant issue prospectus	10,000
(d)	in the case of prospectus relating to interests in a collective investment scheme	nil
(e)	in the case of any prospectus not referred to in paragraph (a), (b), (c) or (d), offering to the public for subscription or purchase for cash or other consideration, or calculated to invite offers by the public to subscribe for or purchase for cash or other consideration, any shares or debentures of a corporation that has been approved by a recognized exchange company for listing on a recognized stock market	30,000

**SCHEDULE 2**

**[s. 6]**

**FEES RELATING TO OFFER DOCUMENTS, WHITEWASH DOCUMENTS  
AND CIRCULARS**

Value of offer	Fee
	\$
Not exceeding \$75,000,000	25,000
Exceeding \$75,000,000 but not exceeding \$125,000,000	75,000
Exceeding \$125,000,000 but not exceeding \$300,000,000	150,000
Exceeding \$300,000,000 but not exceeding \$600,000,000	250,000
Exceeding \$600,000,000 but not exceeding \$1,200,000,000	350,000
Exceeding \$1,200,000,000	\$500,000 plus 0.01% of value over \$2,000,000,000

**SCHEDULE 3**

[s. 12]

**TRANSITIONAL PROVISIONS**

1. Where a person applies for a licence under section 116 or 120, registration under section 119 or approval as a responsible officer under section 126 of the Ordinance, the application fee payable by that person shall be waived if the application relates only to the regulated activity or activities for which that person is deemed to have been licensed or registered (as the case may be).

**Fees relating to corporations (other than exempt dealers and exempt investment advisers)**

2. Where a corporation is deemed under section 22(a), (b), (d) or (e) of Part 1 of Schedule 10 to the Ordinance to have been licensed, the annual fee specified in item [30] of Schedule 1 for one of the regulated activities for which it is so deemed to have been licensed shall be payable and the annual fees for the other stated regulated activities shall be waived.

3. Where an individual is deemed under section 23(a), (b), (d) or (e) of Part 1 of Schedule 10 to the Ordinance to have been licensed and is deemed to have been approved as a responsible officer, the annual fee specified in item [32] of Schedule 1 for one of the regulated activities for which he is so deemed to have been licensed shall be payable and the annual fees for the other stated regulated activities shall

be waived.

4. Where an individual is deemed under section 23(c) of Part 1 of Schedule 10 to the Ordinance to have been licensed and is deemed to have been approved as a responsible officer, the annual fee specified in item [31] of Schedule 1 shall be payable instead of the annual fee specified in item [32] of Schedule 1 which shall be waived.

5. Where an individual applies for approval as a responsible officer of a corporation which is deemed under section 22(c) of Part 1 of Schedule 10 to the Ordinance to have been licensed for Type 8 regulated activity or is deemed under section 22(f) of Part 1 of that Schedule to have been licensed for Type 3 regulated activity (as the case may be), the application fee specified in item [22] of Schedule 1 shall be waived.

6. Where an individual is deemed under section 23(f) of Part 1 of Schedule 10 to the Ordinance to have been licensed and is deemed to have been approved as a responsible officer, the annual fee specified in item [34] of Schedule 1 shall be payable instead of the annual fee specified in item [35] of Schedule 1 which shall be waived.

7. Where an individual is deemed under section 24(a), (b), (d) or (e) of Part 1 of Schedule 10 to the Ordinance to have been licensed, the annual fee specified in item [31] of Schedule 1 for one of the regulated activities for which he



is so deemed to have been licensed shall be payable and the annual fees for the other stated regulated activities shall be waived.

8. Where an individual applies for approval as the second responsible officer of a corporation in respect of a regulated activity for which it is deemed under section 22(a), (b), (d) or (e) of Part 1 of Schedule 10 to the Ordinance to have been licensed, if the corporation to which the individual is accredited has only one responsible officer in respect of that regulated activity at the time of the application and had only one individual deemed under section 23(a), (b), (d) or (e) of Part 1 of Schedule 10 to the Ordinance to have been approved as a responsible officer in respect of that regulated activity when Part V of the Ordinance commenced, the application fee specified in item [22] of Schedule 1 shall be waived and the annual fee specified in item [31] of Schedule 1 shall be payable by the individual instead of the annual fee specified in item [32] of Schedule 1 which shall be waived.

9. Where an individual is licensed under section 120(1) of the Ordinance for Type 8 regulated activity and approved as a responsible officer of a corporation which is deemed under section 22(c) of Part 1 of Schedule 10 to the Ordinance to have been licensed for Type 8 regulated activity, the annual fee specified in item [31] of Schedule 1 shall be payable instead of the annual fee specified in item [32] of Schedule 1 which shall be waived.

10. Where an individual is licensed under section 120(1) of the Ordinance for Type 3 regulated activity and approved as a responsible officer of a corporation which is deemed under section 22(f) of Schedule 10 to the Ordinance to have been licensed for Type 3 regulated activity, the annual fee specified in item [34] of Schedule 1 shall be payable instead of the annual fee specified in item [35] of Schedule 1 which shall be waived.

**Fees relating to persons who are exempt dealers or exempt investment advisers**

11. Where an authorized financial institution is deemed -

- (a) under section 25(a)(i) of Schedule 10 to the Ordinance to have been registered, the annual fee payable shall be \$14,000 in respect of regulated activities for which it is deemed under that section to have been registered;
- (b) under section 25(a)(ii) of Part 1 of Schedule 10 of the Ordinance to have been registered, the annual fee payable shall be \$7,000 in respect of the regulated activities for which it is deemed under that section to have been registered.

12. Where a corporation is deemed -

- (a) under section 25(b)(i) of Part 1 of Schedule 10 of the Ordinance to have been licensed, the annual fee payable shall be \$14,000 in respect of regulated activities for which it is deemed under that section to have been licensed;

- (b) under section 25(b)(ii) of Part 1 of Schedule 10 of the Ordinance to have been licensed, the annual fee payable shall be \$7,000 in respect of regulated activities for which it is deemed under that section to have been licensed.

13. Where an individual is deemed under section 26(ii) of Part 1 of Schedule 10 to the Ordinance to have been licensed, the annual fee payable by the individual shall be waived if the individual carries out the same regulated activity or activities as that or those for which the licensed corporation to which he is accredited is deemed under section 25(b) of Part 1 of Schedule 10 to the Ordinance to have been licensed.

**Fees relating to partnerships and corporations succeeding the partnerships**

14. Where a corporation succeeds the business of a partnership which was deemed under section 27(a), (b), (c) or (d) of Part 1 of Schedule 10 of the Ordinance to have been licensed and applies for a licence under section 116 of the Ordinance, the application fee specified in item [13] of Schedule 1 shall be waived if the application relates only to the regulated activity or activities for which the partnership was deemed under section 27(a), (b), (c) or (d) Part 1 of of Schedule 10 of the Ordinance to have been licensed.

15. Where a partnership is deemed under section 27(a), (b), (c) or (d) of Part 1 of Schedule 10 to the Ordinance to have

been licensed, the annual fee specified in item [30] of Schedule 1 for one of the regulated activities for which the partnership is so deemed to have been licensed shall be payable and the annual fees for the other stated regulated activities shall be waived.

16. Where an individual is deemed under section 28(a), (b), (c) or (d) of Part 1 of Schedule 10 to the Ordinance to have been licensed and is deemed to have been approved as a responsible officer, the annual fee specified in item [32] of Schedule 1 for one of the regulated activities for which he is so deemed to have been licensed shall be payable and the annual fees for the other stated regulated activities shall be waived.

17. Where an individual is deemed under section 29(a), (b), (c) or (d) of Part 1 of Schedule 10 to the Ordinance to have been licensed, the annual fee specified in item [31] of Schedule 1 for one of the regulated activities for which he is so deemed to have been licensed shall be payable and the annual fees for the other stated regulated activities shall be waived.

**Fees relating to sole proprietors and corporations succeeding the sole proprietors**

18. Where a corporation succeeds the business of an individual who was deemed under section 30(a)(i), (b)(i), (c)(i) or (d)(i) of Part 1 of Schedule 10 to the Ordinance to have been licensed and applies for a licence under section 116 of the Ordinance, the application fee payable by that

corporation under item [13] of Schedule 1 and the annual fee specified in item [30] of Schedule 1 for the regulated activity or activities for which the individual was so deemed to have been licensed shall be waived.

19. Where an individual is deemed under section 30(a), (b), (c) or (d) of Part 1 of Schedule 10 to the Ordinance to have been licensed -

- (a) the annual fees specified in item [30] of Schedule 1 in relation to the regulated activities for which the individual is deemed under section 30(a)(i), (b)(i), (c)(i) or (d)(i) of Part 1 of Schedule 10 to the Ordinance to have been licensed shall be waived; and
- (b) the annual fees specified in item [31] of Schedule 1 in relation to the regulated activities for which he is deemed under section 30(a)(ii), (b)(ii), (c)(ii) or (d)(ii) of Part 1 of Schedule 10 to the Ordinance to have been licensed shall be waived,

but the annual fee specified in item [32] of Schedule 1 for one of the regulated activities in relation to which he is deemed under section 30(a)(iii), (b)(iii), (c)(iii) or (d)(iii) of Part 1 of Schedule 10 to the Ordinance to have been approved as a responsible officer shall be payable and the annual fees for the other stated regulated activities shall be waived.

20. Where an individual is deemed under section 31(a), (b),

(c) or (d) of Part 1 of Schedule 10 to the Ordinance to have been licensed, the annual fee specified in item [31] of Schedule 1 for one of the regulated activities for which he is so deemed to have been licensed shall be payable and the annual fees for the other stated regulated activities shall be waived.

21. Where an individual applies for approval as a responsible officer of a corporation which is deemed under section 30(a)(i), (b)(i), (c)(i) or (d)(i) of Part 1 of Schedule 10 to the Ordinance to have been licensed or a licensed corporation which has succeeded the first-mentioned corporation, the application fee specified in item [22] of Schedule 1 shall be waived and the annual fee specified in item [31] of Schedule 1 shall be payable instead of the annual fee specified in item [32] of Schedule 1 which shall be waived.

#### **Fees relating to licensed banks**

22. Where a licensed bank is deemed to have been registered under section 119(1) of the Ordinance in accordance with section 32 of Part 1 of Schedule 10 to the Ordinance, the annual fee payable by that registered institution shall be waived.

#### **Miscellaneous**

23. Notwithstanding any other provision of this Schedule, where a person lodges an application pursuant to [section 1] within one year after the commencement of Part V of the

Ordinance, the person shall be entitled to a discount which is equivalent to 5% of the annual fee specified in column 2 of Schedule 4 which is opposite to the status of the person immediately before the commencement of Part V of the Ordinance as specified in column 1 of Schedule 4 for the period from the date on which the application is received by the Commission to the end of the transition period and which is to be applied as follows -

- (a) the discount that relates to the period from the date on which the application is received by the Commission to the earlier of the first anniversary of the date of the grant of the licence or certificate of registration (as the case may be) or the end of the transition period shall be deducted from the annual fee under Part V of the Ordinance on the first occasion on which it is payable after the grant of the licence or certificate of registration; and
- (b) where applicable, the discount that relates to the period from the first anniversary of the date of the grant of the licence or certificate of registration (as the case may be) to the end of the transition period shall be deducted from the annual fee under Part V of the Ordinance on the second occasion on which it is payable after the grant of the licence or certificate of registration.

24. Where a person is required to pay an annual fee under Part V of the Ordinance, the part of the annual fee that relates to a period for which that person has already paid an annual fee under the Securities and Futures Commission (Fees) Rules (Cap. 24 sub. leg.) repealed under section 406 of the Ordinance, before the commencement of Part V of the Ordinance, shall be waived.

25. The provisions of this Schedule shall continue to apply in respect of the person deemed under Part 1 of Schedule 10 to the Ordinance to have been licensed on the commencement of Part V of the Ordinance or any successor of such person notwithstanding that person or successor of that person has been granted a licence under sections 116 or 120, registration under section 119 or approval as a responsible officer under section 126 of the Ordinance.

**SCHEDULE 4**

[Sch. 3]

**ANNUAL FEES PAYABLE UNDER THE REGIME IMMEDIATELY  
BEFORE THE COMMENCEMENT OF THE SECURITIES AND  
FUTURES ORDINANCE**

	<b>Annual Fee</b> \$
<b>Status under the repealed Securities Ordinance -</b>	
(1) Exempt dealer	14,000
(2) Exempt investment adviser	7,000



(3) Dealer	4,900
(4) Investment adviser	4,900
(5) Securities margin financier	4,900
(6) Dealer's representative	1,850
(7) Investment representative	1,850
(8) Securities margin financier's representative	1,850

**Status under the repealed Commodities Trading Ordinance**

(9) Dealer	4,900
(10) Commodity trading adviser	4,900
(11) Dealer's representative	1,850
(12) Commodity trading adviser's representative	1,850

**Status under the repealed Leveraged Foreign Exchange Trading Ordinance**

(13) Leveraged foreign exchange trader	133,750
(14) Leveraged foreign exchange trader's representative	2,500

Clerk to the Executive

Council

COUNCIL CHAMBER

2002

**Explanatory Note**

These Rules are made by the Chief Executive in Council

under section 395 of the Securities and Futures Ordinance (5 of 2002). They require and provide for payment to the Commission of fees and prescribe fees for applications to the Commission under or pursuant to the Ordinance, anything done by the Commission in the performance of a function relating to takeovers, mergers and share repurchases, anything done by the Commission in the performance of a function under any of the relevant provisions of the Ordinance or which this Ordinance provides are or may be prescribed for by rules made under section 395 of the Ordinance, etc.

## SUMMARY OF PROPOSED FEES AND EXISTING FEES

Item	Description of Proposed Fee	Proposed Fee (\$)	Amount of Existing Fee (\$)	Reference in current legislation
	<b>Fees under Part III of the Ordinance</b>			
1.	Fee payable on application under section 95(2)(a) of the Ordinance for authorization to provide automated trading services	10,000	n/a	new
2.	Annual fee payable by an authorized automated trading services provider approved under section 95(2)(a) of the Ordinance	10,000	n/a	new
3.	Fee payable to obtain under section 99(5)(b) a copy of an entry in, or extract of, the register	9 per page	n/a	new
	<b>Fees under Part IV of the Ordinance</b>			
	<i>Collective investment schemes</i>			
4.	Fee payable on application under section 104(1) of the Ordinance for -			
	(a) authorization of a collective investment scheme – (i) within which there is, or could be, more than one fund; or (ii) that maintains, or is capable of maintaining more than one fund	40,000, plus 5,000 for each fund in respect of which authorization is sought (unless the fund is within or maintained by another collective investment scheme which has been authorized)	40,000, plus 5,000 for each fund in respect of which authorization is sought (for unit trusts and mutual fund corporations only) <b>or</b> 20,000-30,000 (for other investment products)	SFC (Fees) Rules <sup>A</sup> , Sch 1: 7(a) & (b), 10(a) & (b)
	(b) authorization of any other collective investment scheme	20,000	20,000	SFC (Fees) Rules, Sch 1: 7(c), 10(a) & (b)
	(c) extension of authorization of a collective investment scheme to cover an additional fund	5,000 (unless the fund is within or maintained by another collective investment scheme which has been	5,000	SFC (Fees) Rules, Sch 1: 7(d)

<sup>A</sup> **SFC (Fees) Rules:** Securities and Futures Commission (Fees) Rules (Cap.24 sub. leg. C)

**Attachment 2**

		authorized)		
5.	Fee payable in respect of –			
	(a) authorization under section 104 of the Ordinance of a collective investment scheme – (i) within which there is, or could be, more than one fund; or (ii) that maintains, or is capable of maintaining more than one fund	20,000, plus 2,500 for each fund in respect of which authorization is sought (unless the fund is within or maintained by another collective investment scheme which has been authorized)	20,000, plus 2,500 for each fund to which authorization extends (for unit trusts and mutual fund corporations only) <b>or</b> 10,000-20,000 (for other investment products)	SFC (Fees) Rules, Sch 1: 8(a) & (b), 11(a) & (b)
	(b) authorization under section 104 of the Ordinance of any other collective investment scheme	10,000	10,000	SFC (Fees) Rules, Sch 1: 8(c), 11(a) & (b)
	(c) extension of authorization under section 104 of the Ordinance of a collective investment scheme to cover an additional fund	2,500 (unless the fund is within or maintained by another collective investment scheme which has been authorized)	2,500	SFC (Fees) Rules, Sch 1: 8(d)
6.	Annual fee payable in respect of authorization under section 104 of the Ordinance which is not limited to a period of less than 12 months -			
	(a) in the case of an authorized collective investment scheme – (i) within which there is, or could be, more than one fund; or (ii) that maintains, or is capable of maintaining more than one fund	7,500 plus 4,500 in respect of each fund (unless the fund is within or maintained by another collective investment scheme which has been authorized)	7,500 plus 4,500 in respect of each fund (for unit trusts and mutual fund corporations only) <b>or</b> 6,000 (for other investment products)	SFC (Fees) Rules, Sch 1: 9(a) & (b), 12
	(b) in the case of any other authorized collective investment scheme	6,000	6,000	SFC (Fees) Rules, Sch 1: 9(c) & 12
7.	Fee payable on application for extension of the period of authorization of any collective investment scheme where authorization under section 104 of the Ordinance is limited to a period of less than 12 months	20,000	10,000-20,000	New and SFC (Fees) Rules, Sch 1: 14(a) & (b)
	<i>Authorization of the issue of advertisements, etc.</i>			

## Attachment 2

8.	Fee payable on application under section 105(1) of the Ordinance for authorization of the issue of an advertisement, invitation or document in respect of any securities, regulated investment agreements or collective investment schemes which have not been authorized under section 104 of the Ordinance or which are no longer so authorized	20,000	20,000-30,000	SFC (Fees) Rules, Sch 1: 10(a) & (b)
9.	Fee payable in respect of authorization under section 105 of the Ordinance for the issue of an advertisement, invitation or document in respect of any securities, regulated investment agreements or collective investment schemes which have not been authorized under section 104 of the Ordinance or which are no longer so authorized	10,000	10,000-20,000	SFC (Fees) Rules, Sch 1: 11(a) & (b)
10.	Fee payable on application to modify a previous authorization under section 105 of the Ordinance for an advertisement, invitation or document in relation to -			
	(a) any instrument specified in Part 2 of Schedule 4 to the Ordinance	3,000	3,000	SFC (Fees) Rules, Sch 1: 13(a)
	(b) any certificate of deposit	3,000	3,000	SFC (Fees) Rules, Sch 1: 13(b)
	(c) any securities other than interests in a collective investment scheme	3,000	3,000	SFC (Fees) Rules, Sch 1: 13(c)
11.	Where authorization is sought under section 105 of the Ordinance for any advertisement, invitation or document, and any fee otherwise payable under item [8] or [9] is waived by the Commission under section 11 of these Rules -			
	(a) fee payable on application	1,200	1,200	SFC (Fees) Rules, Sch 1: 15(a)
	(b) fee payable in respect of authorization	600	600	SFC (Fees) Rules, Sch 1: 15(b)
12.	Fee payable where documentation is submitted to the Commission requiring its consideration and advice on the application of Part IV of the Ordinance and on the authorization for registration of a prospectus under section 38D or 342C of the Companies Ordinance (Cap. 32)	10,000	10,000	SFC (Fees) Rules, Sch 1: 16
	<b>Fees under Part V of the Ordinance</b>			
13.	Fee payable on application by a corporation under section 116 of the Ordinance for a licence to carry on any one type, and for each additional type, of regulated activity other than Type 3 regulated activity	4,740	4,900	SFC (Fees) Rules, Sch 1: 1(a) & (c), 2(a) & (c)

## Attachment 2

14.	Fee payable on application by an individual under section 120 of the Ordinance for a licence to carry on any one type, and for each additional type, of regulated activity other than Type 3 regulated activity	1,790	1,850	SFC (Fees) Rules, Sch 1: 1(b) & (d) 2(b) & (d)
15.	Fee payable on application by a corporation under section 116 of the Ordinance for a licence to carry on Type 3 regulated activity	129,730	133,750	LEFT (Fees) Rules <sup>B</sup> , Sch: 1(a)
16.	Fee payable on application by an individual under section 120 of the Ordinance for a licence to carry on Type 3 regulated activity	2,420	2,500	LEFT (Fees) Rules, Sch: 1(b)
17.	Additional fee payable on request by an individual under section 120(2) of the Ordinance for a provisional licence	800	n/a	new
18.	Fee payable on application by a corporation under section 117 of the Ordinance for a temporary licence to carry on any one type, and for each additional type, of regulated activity	4,900	n/a	new
19.	Fee payable on application by an individual under section 121 of the Ordinance for a temporary licence to carry on any one type, and for each additional type, of regulated activity	1,850	1,850 <sup>1</sup>	SFC (Fees) Rules, Sch 1: 1(b) & (d) 2(b) & (d)
	<i>Application fees for changes to a licence</i>			
20.	Fee payable on application by a licensed representative under section 122(1) of the Ordinance for approval of any accreditations, which are not already specified in the applicant's licence	200	200 <sup>2</sup>	New, but similar to SFC (Fees) Rules, Sch 1: 21
21.	Fee payable on application by a licensed representative under section 122(2) of the Ordinance for the approval of transfer of accreditation, for each type of regulated activity	200	200 <sup>2</sup>	New, but similar to SFC (Fees) Rules, Sch 1: 21
22.	Fee payable on application by a licensed representative under section 126(1) of the Ordinance for approval as a responsible officer, for each type of regulated activity	2,950	4,900 <sup>3</sup>	SFC (Fees) Rules, Sch 1: 1(a) & (c) 2(a) & (c)
23.	Fee payable on application by a licensed corporation under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by adding any one type of regulated activity other than Type 3 regulated activity	4,740	4,900 <sup>1</sup>	SFC (Fees) Rules, Sch 1: 1(a) & (c) 2(a) & (c)
24.	Fee payable on application by a licensed corporation under section 127 of the Ordinance to vary the regulated activity	129,730	133,750 <sup>1</sup>	LFET (Fees) Rules, Sch: 1(a)

<sup>B</sup> **LFET (Fees) Rules:** Leveraged Foreign Exchange Trading (Fees) Rules (Cap.451 sub. leg. F)

<sup>1</sup> Under the current regime, the usual application fee would be applicable in this circumstance.

<sup>2</sup> Under the current regime, a certificate amendment fee would be applicable in this circumstance.

<sup>3</sup> Responsible officers assume similar supervisory responsibilities of current dealing/investment adviser directors. Under the new regime, for an individual to become a responsible officer, he will need to pay the application fee as a licensed representative (\$1,790) and the application fee for approval as a responsible officer (\$2,950), the total being \$4,740 (i.e. \$1,790 + \$2,950).

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	specified in the applicant's licence by adding Type 3 regulated activity			
25.	Fee payable on application by a licensed corporation under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by removing any one type of regulated activity (unless ceasing to be licensed for all types of regulated activity)	200	200 <sup>2</sup>	SFC (Fees) Rules, Sch 1: 21
26.	Fee payable on application by a licensed representative under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by adding any one type of regulated activity other than Type 3 regulated activity	1,790	1,850 <sup>1</sup>	SFC (Fees) Rules, Sch 1: 1(b) & (d) 2(b) & (d)
27.	Fee payable on application by a licensed representative under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by adding Type 3 regulated activity	2,420	2,500 <sup>1</sup>	LFET (Fees) Rules, Sch: 1(b)
28.	Fee payable on application by a licensed representative under section 127 of the Ordinance to vary the regulated activity specified in the applicant's licence by removing any one type of regulated activity (unless ceasing to be licensed for all types of regulated activity)	200	200 <sup>2</sup>	SFC (Fees) Rules, Sch 1: 21
29.	Fee payable on application by a licensed corporation or licensed representative for the grant of a licence in the circumstances where the licensed corporation or licensed representative has substantially changed its or his particulars since the grant of its existing licence	200	200  210	SFC (Fees) Rules, Sch 1: 21  LEFT (Fees) Rules, Sch: 3
	<b><i>Annual fees for licensed persons</i></b>			
30.	Annual fee payable under section 138(1) of the Ordinance by a corporation licensed under section 116 of the Ordinance, for each type of regulated activity for which it is licensed other than Type 3 regulated activity	4,740	4,900	SFC (Fees) Rules, Sch 1: 3(a) & (c) 4(a) & (c)
31.	Annual fee payable under section 138(1) of the Ordinance by an individual licensed under section 120 of the Ordinance, for each type of regulated activity for which he is licensed other than Type 3 regulated activity	1,790	1,850	SFC (Fees) Rules, Sch 1: 3(b) & (d) 4(b) & (d)
32.	Annual fee payable under section 138(1) of the Ordinance by an individual licensed under section 120 of the Ordinance and approved under section 126(1) of the Ordinance as a responsible officer, for each type of regulated activity for which he is licensed other than Type 3 regulated activity	4,740	4,900 <sup>3</sup>	SFC (Fees) Rules, Sch 1: 3(a) & (c) 4(a) & (c)
33.	Annual fee payable under section 138(1) of the Ordinance by a corporation licensed under section 116 of the Ordinance for Type 3 regulated activity	129,730	133,750	LEFT (Fees) Rules, Sch: 2(a)
34.	Annual fee payable under section 138(1) of	2,420	2,500	LEFT (Fees)

## Attachment 2

	the Ordinance by an individual licensed under section 120 of the Ordinance for Type 3 regulated activity			Rules, Sch: 2(b)
35.	Annual fee payable under section 138(1) of the Ordinance by an individual licensed under section 120 of the Ordinance and approved under section 126(1) of the Ordinance as a responsible officer for Type 3 regulated activity	5,370	2,500 <sup>4</sup>	LEFT (Fees) Rules, Sch: 2(b)
	<b><i>Fees for registered institutions</i></b>			
36.	Fee payable on application by an authorized financial institution under section 119(1) of the Ordinance for registration as a registered institution to carry on any one type, and for each additional type, of regulated activity	23,500	23,500 (exempt dealer)  7,000 (exempt investment adviser)	SFC (Fees) Rules, Sch 1: 5(a)  5(b)
37.	Annual fee payable under section 138(1) of the Ordinance by a registered institution, for each type of regulated activity for which it is registered	35,000	14,000 (exempt dealer)  7,000 (exempt investment adviser)	SFC (Fees) Rules, Sch 1: 6(a)  6(b)
38.	Fee payable on application by a registered institution under section 127 of the Ordinance to vary the regulated activity specified in the applicant's certificate of registration by adding any one additional type of regulated activity	23,500	23,500	SFC (Fees) Rules, Sch 1: 8(a)
39.	Fee payable on application by a registered institution under section 127 of the Ordinance to vary the regulated activity specified in the applicant's certificate of registration by removing any one type of regulated activity (unless ceasing to be registered for all types of regulated activity)	200	n/a	new
40.	Fee payable on application by a registered institution for the grant of a certificate of registration in the circumstances where the registered institution has substantially changed its particulars since the grant of its existing certificate	200	n/a	new
	<b><i>Miscellaneous fees</i></b>			
41.	Fee payable on application under section 130 of the Ordinance for approval of any premises for keeping records or documents required under the Ordinance	1,000	6,950	Application wider, but similar to LFET (Fees) Rules, Sch: 12
42.	Fee payable on application under section 132 of the Ordinance for approval to become or	3,000	6,950	Application wider, but

<sup>4</sup> Responsible directors of Leveraged Foreign Exchange Traders are currently only required to pay annual fees as representatives.



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	continue to be a substantial shareholder of a corporation licensed under section 116 of the Ordinance			similar to LFET (Fees) Rules, Sch: 18
43.	Fee payable on application under section 134(1) of the Ordinance for a modification or waiver in respect of -			
	(a) any condition specified in section 118 of the Ordinance or imposed under section 116, 117, 119, 120, 121, 126 or 132 or any of the requirements of s.121(2)(a) of the Ordinance	2,000	n/a	new
	(b) any of the requirements of sections 116(2)(b) and 125(1) and (2) of the Ordinance	2,000	n/a	new
	(c) any of the requirements of sections 116(2)(c) and 130 of the Ordinance	2,000	2,000	SFC (Fees) Rules, Sch 1: 26(e)
			6,950	LFET (Fees) Rule Sch: 7(b)
	(d) any of the requirements of section 129 of the Ordinance	4,000	6,950	Application wider, but similar to LFET (Fees) Rules, Sch: 7(a)
	(e) any of the requirements of rules made under section 145 of the Ordinance (except one relating to hedging or arbitrage programmes)	6,000	6,500	SFC (Fees) Rules, Sch 1: 24(a)
	(f) any of the requirements of rules made under section 145 of the Ordinance, relating to hedging or arbitrage programmes -			
	(i) where at least one side of the portfolio is less than \$10,000,000;	10,000	10,000	SFC (Fees) Rules, Sch 1: 24(c)(i)
	(ii) in any other case	20,000	20,000	SFC (Fees) Rules, Sch 1: 24(c)(ii)
	(g) any of the requirements of rules made under section 148 of the Ordinance	6,000	6,500	SFC (Fees) Rules, Sch 1: 26(c)-(cc)
	(h) any of the requirements of rules made under section 149 of the Ordinance	6,000	4,500	SFC (Fees) Rules, Sch 1: 26(da) & (db)
	(i) any of the requirements of rules made under section 151 of the Ordinance	6,000	6,500	Application wider, but similar to SFC (Fees) Rules, Sch 1: 31(d)
	(j) any of the requirements of rules made under section 152 of the Ordinance	6,000	6,500	Application wider, but similar to SFC (Fees) Rules, Sch 1: 31(d)
44.	Fee payable for renewal of a waiver or modification referred to in item 43(e), (f), (g), (h), (i) or (j)	4,000	4,500	Similar to SFC (Fees) Rules, Sch 1: 26(d)

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45.	Fee payable on application under section 124(1) of the Ordinance for a duplicate licence or certificate of registration	200	200	SFC (Fees) Rules, Sch 1: 18
46.	Fee payable to obtain under section 136(5)(b) of the Ordinance a copy of an entry in, or extract of, a register maintained under section 136(1) of the Ordinance	9 per page	9 per page	SFC (Fees) Rules, Sch 1: 20
47.	Fee payable for certification of a copy of a document as a true copy under section 136(6)(b) of the Ordinance	200	200	SFC (Fees) Rules, Sch 1: 19
48.	Fee payable for a copy of a document for which no fee is otherwise specified in this Schedule	9 per page	9 per page	SFC (Fees) Rules, Sch 1: 20
	<b>Fees under Part VI of the Ordinance</b>			
49.	Fee payable on application for any approval for the purposes of rules made under section 145 of the Ordinance	6,000	4,900-7,500	SFC (Fees) Rules, Sch 1: 27
50.	Fee payable for renewal of an approval referred to in item [49]	4,000	n/a	new
51.	Fee payable on application for any approval for the purposes of rules made under section 148 of the Ordinance of any company or overseas company as suitable for safe custody of client securities and collateral	6,000	n/a	new
52.	Fee payable for renewal of an approval referred to in item [51]	4,000	n/a	new
53.	Fee payable on application for any approval of a person with whom segregated accounts can be established and maintained for the purposes of rules made under section 149 of the Ordinance	6,000	n/a	new
54.	Fee payable for renewal of an approval referred to in item [53]	4,000	n/a	new
55.	Fee payable on application by a licensed corporation or an associated entity of a licensed corporation -			
	(a) under section 155(3)(a) of the Ordinance, for approval to alter its financial year end	2,000	2,000	SFC (Fees) Rules, Sch 1: 22(a)
	(b) under section 155(3)(b) of the Ordinance, for approval to adopt a period exceeding 12 months as its financial year	2,000	2,000	Similar to SFC (Fees) Rules, Sch 1: 22(a) & (c)
	(c) for approval of the matters specified in paragraphs (a) and (b) on the same occasion	2,000	n/a	new
	(d) under section 156(4) of the Ordinance, for extension of the period within which to lodge the requisite documents	2,000	2,000	SFC (Fees) Rules, Sch 1: 22(b)
	<b>Fees under Part XV of the Ordinance</b>			
56.	Fee payable on application under section 309(2) or (3) of the Ordinance for an exemption from all or any of the provisions of Part XV of the Ordinance	24,000	24,000	SFC (Fees) Rules, Sch 1: 29
57.	Fee payable on application by a corporation	24,000	n/a	new

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	under section [6] of the Securities and Futures (Disclosure of Interests – Securities Borrowing and Lending) Rules (L.N. of 2002) for approval as an approved lending agent			
	<b>Fees under the Companies Ordinance (Cap. 32)</b>			
58.	Fee payable on application for authorization for registration of a prospectus under the Companies Ordinance (Cap. 32) -			
	(a) in the case of rights issue prospectus	15,000	15,000	SFC (Fees) Rules, Sch 1: 28(a)
	(b) in the case of Eurobond issue prospectus	15,000	15,000	SFC (Fees) Rules, Sch 1: 28(b)
	(c) in the case of warrant issue prospectus	10,000	10,000	SFC (Fees) Rules, Sch 1: 28(c)
	(d) in the case of prospectus relating to interests in a collective investment scheme	nil	nil	SFC (Fees) Rules, Sch 1: 28(f)
	(e) in the case of any prospectus not referred to in paragraph (a), (b), (c) or (d), offering to the public for subscription or purchase for cash or other consideration, or calculated to invite offers by the public to subscribe for or purchase for cash or other consideration, any shares or debentures of a corporation that has been approved by a recognized exchange company for listing on a recognized stock market	30,000	30,000	SFC (Fees) Rules, Sch 1: 28(g)