

L.N. 29 of 2011

**Securities and Futures (Financial Resources)
(Amendment) Rules 2011**

(Made by the Securities and Futures Commission under section 145 of the Securities and Futures Ordinance (Cap. 571) after consultation with the Financial Secretary)

1. Commencement

These Rules come into operation on 1 June 2011.

2. Securities and Futures (Financial Resources) Rules amended

The Securities and Futures (Financial Resources) Rules (Cap. 571 sub. leg. N) are amended as set out in sections 3 to 6.

3. Section 2 amended (Interpretation)

Section 2(1), definition of *specified licensing condition*—

Repeal

“Type 6 or Type 9”

Substitute

“Type 6, Type 9 or Type 10”.

4. Section 5 amended (Paid-up share capital requirement for licensed corporations)

Section 5(d)—

Repeal

“Type 5 or Type 9”

Substitute

“Type 5, Type 9 or Type 10”.

5. Section 56 amended (Licensed corporations to submit returns to Commission)

(1) Section 56(1)(i)—

Repeal

“condition,”

Substitute

“condition;”.

(2) After section 56(1)(i)—

Add

“(ia) Type 10 regulated activity, and it is not subject to the specified licensing condition,”.

(3) Section 56(3)(d)—

Repeal

“activity,”

Substitute

“activity;”.

(4) After section 56(3)(d)—

Add

“(da) Type 10 regulated activity,”.

6. Schedule 1 amended (Financial resources requirements)

(1) Table 1, after entry relating to Type 9—

Add

“Type 10 \$5,000,000”.

(2) Table 2, after entry relating to Type 9—

Add

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Section 6

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“Type 10—

- | | |
|--|---------------|
| (a) in the case where the licensed corporation in question is subject to the specified licensing condition | \$100,000 |
| (b) in any other case | \$3,000,000”. |

Martin WHEATLEY
Chief Executive Officer,
Securities and Futures Commission

9 February 2011

Explanatory Note

The purpose of these Rules is to amend the Securities and Futures (Financial Resources) Rules (Cap. 571 sub. leg. N) (*the principal Rules*) to provide for paid-up share capital requirements and liquid capital requirements for licensed corporations licensed for Type 10 regulated activity (providing credit rating services), and connected matters.

2. Section 1 provides for the commencement of these Rules.
3. Section 2 provides for the amendment of the principal Rules.
4. Section 3 amends the definition of *specified licensing condition* in section 2(1) of the principal Rules to add a reference to Type 10 regulated activity.
5. Sections 4 and 5 amend section 5(d) of the principal Rules in respect of paid-up share capital requirements and section 56 of the principal Rules in respect of the submission of returns to the Securities and Futures Commission to add references to Type 10 regulated activity.
6. Section 6 amends Tables 1 and 2 in Schedule 1 to the principal Rules to provide for the minimum amount of paid-up share capital and minimum amount of required liquid capital for licensed corporations licensed for Type 10 regulated activity.