

L.N. 35 of 2004**SECURITIES AND FUTURES (CONTRACTS LIMITS AND REPORTABLE POSITIONS) (AMENDMENT) RULES 2004**

(Made by the Securities and Futures Commission under section 35(1) of the Securities and Futures Ordinance (Cap. 571), and in relation to rules made under section 35(1)(e) of that Ordinance after consultation with the Financial Secretary)

1. Commencement

These Rules shall come into operation on 30 April 2004.

2. Notice of reportable positions

Section 6(2)(b) of the Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap. 571 sub. leg. Y) is repealed and the following substituted—

- “(b) if the reportable position is held or controlled for another person—
- (i) the identity of that person; and
 - (ii) the number of futures contracts or stock options contracts held or controlled for such person in respect of the reportable position in each relevant contract month.”.

3. Section substituted

Section 7 is repealed and the following substituted—

“7. Compliance by certain persons

(1) In their application to a person holding or controlling futures contracts or stock options contracts for any other person, the prescribed limits and reportable positions apply separately to any futures contracts or stock options contracts held or controlled by the first person—

- (a) for his own account; and
- (b) for each other person.

(2) For the purposes of subsection (1), a person shall not be regarded as holding or controlling futures contracts or stock options contracts for another person if he has discretion in relation to those futures contracts or stock options contracts.

(3) For the purposes of subsection (2), a person shall be regarded as having discretion in relation to futures contracts or stock options contracts he holds or controls for another person if—

- (a) he may originate orders to acquire or dispose of any of the futures contracts or stock options contracts under a general authorization from the other person, whether the authorization is pursuant to a written agreement, power of attorney or otherwise; and
- (b) such authorization enables the first person to make specific acquisitions or disposals without requiring further consent or instruction from the other person.”.

Andrew Len Tao SHENG
Chairman,
Securities and Futures Commission

1 March 2004

Explanatory Note

These Rules provide that the prescribed limits and reportable positions apply separately to futures contracts or stock options contracts held or controlled by a person for his own account and contracts held or controlled by such person for another person. The Rules also require the person holding or controlling a reportable position for another person to notify the recognized exchange company concerned of the identity of the other person and the numbers of contracts held or controlled for such person.