



Our Ref: 250/LC/24

4 July 2003

## **Circular to Licensed Corporations**

### **Officer for Signing Financial Resources Returns (other than Responsible Officer)**

Pursuant to section 56 of the Securities and Futures (Financial Resources) Rules (“the Rules”), a licensed corporation is required to submit financial resources returns to the SFC at a specified time interval and within a specified time limit. The Rules also require that a financial resources return shall be signed in the prescribed manner by a responsible officer **or another officer of the licensed corporation approved by the SFC under section 58(5)(e) of the Rules.**

This circular sets out the application procedures for a licensed corporation seeking approval for its officer (other than a responsible officer) to sign its financial resources returns (“the Proposed Signatory”). It also outlines the general approval criteria the SFC would consider in processing such an application.

#### ***Application procedures***

An application under section 58(5)(e) of the Rules should be submitted to the SFC by a licensed corporation in writing. The following information or documents should accompany the application:-

- (a) Organisation chart depicting the position and reporting line of the Proposed Signatory;
- (b) Job title of the Proposed Signatory and a description of his/her responsibilities;
- (c) Résumé of the Proposed Signatory detailing his/her academic/industry qualifications and working experience;
- (d) Copy of Hong Kong Identity Card or passport of the Proposed Signatory;
- (e) Contact information (office, residential and e-mail addresses and telephone and facsimile numbers) of the Proposed Signatory;



- (f) Written statement by the Proposed Signatory acknowledging his/her responsibility to ensure and certify the truth and correctness of the information reported in the financial resources returns signed and submitted by him/her and that the board of directors has passed a resolution approving him/her to sign and submit financial resources returns on behalf of the company. He/she should also acknowledge that provision of information which is false or misleading in a material particular knowingly or recklessly is an offence under the Securities and Futures Ordinance; and
- (g) Written statement by a responsible officer of the licensed corporation that he/she has reviewed the information provided in the application (including documents evidencing the Proposed Signatory's academic/industry qualifications) and endorses the application.

An application fee of \$6,000 is payable to the SFC for each signatory proposed. Apart from the information and documents mentioned above, the SFC may request a licensed corporation to submit further information for assessment of the application if necessary. The SFC will notify the licensed corporation of the application result in writing.

#### ***Approval criteria***

In considering an application under section 58(5)(e) of the Rules, the SFC will generally take into account the following factors:-

- (a) whether the Proposed Signatory is fully aware of his/her responsibility in signing and submitting financial resources returns;
- (b) whether the Proposed Signatory has sufficient knowledge and experience that would enable him/her to understand the contents of the financial resources returns and related regulatory requirements; and
- (c) whether the Proposed Signatory is in a sufficiently senior management position to exercise independent judgement as to the truth and correctness of the financial resources returns to be signed by him/her.

Without prejudice to the general approval criteria above, the SFC envisages that a Proposed Signatory would normally be in the position of overseeing the back office and/or the finance and accounting functions of a licensed corporation. This would include a person holding the position of Chief Operating Officer, Chief Financial Officer, Financial Controller or the likes.

Should you have any queries on the above, please contact your responsible Intermediaries Relationship Manager of the Licensing Department.

**Licensing Department  
Intermediaries and Investment Products Division  
Securities and Futures Commission**