



證券商協會有限公司  
THE INSTITUTE OF SECURITIES DEALERS LTD.

BY HAND

December 20, 2002

Mr. Stephen Po  
Director of Intermediaries Supervision  
Securities and Futures Commission  
12<sup>th</sup> Floor Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

Dear Mr. Po,

**Proposed revisions to the Code of Conduct for persons  
registered with the Securities and Futures Commission ("SFC")**

Thank you for your letter of the 21<sup>st</sup> November 2002 inviting us to comment on the captioned proposed revisions.


We object to the inclusion of the following wordings in section 1.5(a) - Effect of breach of the Code:

*"..., and if any provision set out in the Code appears to the court to be relevant to any question arising in the proceedings it shall be taken in account in determining the question;..."*

We agree that it is a matter for the Court to decide as to whether any provisions set out in the Code to be of relevance to questions arising from proceedings. It therefore stands to reason that whether the Code should be used in determining the questions is also a matter for the Court to decide. We believe that there is no reasonable ground for the Code to predetermine what the Court should or should not use in making its findings.

Yours sincerely,

The Institute of Securities Dealers Limited

  
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Mr. Cham Yau Nam (Chairman)

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