

Dear _____ :

Here's my view to the draft OFC rules and code.

My Answers and comments using the page numbers and questions numbers.

Directorship : A director may not have a criminal record. This can be included in Subdivision3 Section 110 Director must declare material interests.

P12

Q1 : Enlarge SFC or CR operations with some corresponding fee. But P8 #19, I suggest to eliminate this line. Without fees or financial means, SFC nor CR has the resource to excute and to monitor OFC.

P13:

Q2 : Please avoid Offensive or racist names for example. SFC or CR has final decision.

p14:

Q3: OFC shall or may incorporate under banks, registered investment firms, or insurance companies.

P14 :

Directors qualification :

- A director shall have attained University level or above. Or He / she has been trained by HKIOD trained or HK Security Inst. or equivalent.
- As an alternative, CPA and/or FSTB recognised certification.
- no criminal or bankruptcy records.
- SFC shall decide the countries which can be the residence of a director.

P.15 :

Directors index update shall keep update in timely manners to CR.

P.16 : #58 Investment Manager must report to the board about its strategies and compliance.

P.17 :

Q5: Key Operators shall have qualifications of a CFA or equivalent. Or related certified courses at HK Security Institute.

Q6 :

Proposed persons and entities will lessen the responsibility of directorship. I suggest to omit prices agent.

Q7 or Q8 : I have no views at the moment.

Q9 : SFC has the power to remove auditors.

Q10 : I agree. See also directors' qualification above.

Q16 :

OFC shall make their reports to clients and consumers in an easy to understand AND consistent format. In such a way, most customers / consumers can do OFC comparison in past performance. SFC may consider to impose an unified OFC performance report format for ALL OFC customers / consumers ease of use and fund performance. FHKI can assist in unifying the consumer reporting format. This will increase consumer confidence and transparency.

These are comments. Please feel free to ask me anytime if there is confusion in my comments.

Yours sincerely

Bernie