



THE

LAW SOCIETY OF HONG KONG

香港律師會

3/F WING ON HOUSE · 71 DES VOEUX ROAD
CENTRAL · HONG KONG DX-009100 Central 1
香港中環德輔道中71號
永安集團大廈3字樓

TELEPHONE (電話): (852) 2846 0500
FACSIMILE (傳真): (852) 2845 0387
E-MAIL (電子郵件): sg@hklawsoc.org.hk
WEBSITE (網頁): www.hklawsoc.org.hk

Our Ref : IPFS
Your Ref :
Direct Line :

President

會長

Ambrose S.K. Lam
林新強

Vice-Presidents

副會長

Stephen W.S. Hung
熊運信
Thomas S.T. So
蘇紹聰

Council Members

理事

Dieter Yih
葉禮德
Junius K.Y. Ho
何君堯
Huen Wong
王桂壠
Peter C.L. Lo
羅志力
Michael J. Lintern-Smith
史密夫
Billy W.Y. Ma
馬華潤
Sylvia W.Y. Siu
蕭詠儀
Cecilia K.W. Wong
黃吳潔華
Kenneth S.Y. Ng
伍成業
Joseph C.W. Li
李超華
Amirali B. Masir
黎雅明
Melissa K. Pang
彭韻儀
Angela W.Y. Lee
李慧賢
Brian W. Gilchrist
喬柏仁
Gavin P. Nesbitt
倪廣恒
Denis Brock
白樂德
Charles C.C. Chau
周致聰

Secretary General

秘書長

Heidi K.P. Chu
朱潔冰

Deputy Secretary General

副秘書長

Christine W.S. Chu
朱穎雪

23 July 2014

The Securities and Futures Commission,
35/F, Cheung Kong Center,
2 Queen's Road Central,
Hong Kong

Dear Sir,

Re: Consultation paper on the proposals to amend publication requirements relating to offer and redemption prices or net asset value, and notices of dealing suspension under the Code on Unit Trusts and Mutual Funds

I attach the Law Society's Submissions on the captioned Consultation for your consideration.

Yours faithfully,

Encl.

1896238

BY EMAIL & BY POST



**CONSULTATION PAPER
ON PROPOSALS TO AMEND PUBLICATION REQUIREMENTS
RELATING TO OFFER AND REDEMPTION PRICES OR NET
ASSET VALUE, AND NOTICES OF DEALING SUSPENSION
UNDER THE CODE ON UNIT TRUSTS AND MUTUAL FUNDS**

The Law Society's Submissions

***Question 1:** Do you agree that Schemes should be allowed to make public their Prices or NAVs in any appropriate manner?*

Law Society's response:

Agreed. This makes perfect sense given technological advances, for the sake of flexibility; the lack of prescription is welcome.

***Question 2:** Do you agree that Schemes should be required to make public their Prices or NAVs on every dealing day?*

Law Society's response:

Agreed. It would in our view be a step too far to require publication on a daily basis.

***Question 3:** Do you agree that Schemes should be allowed to publish notices of dealing suspension in any appropriate manner?*

Law Society's response:

In principle, we have no quarrel with the proposed approach.

We would like to seek clarification from the SFC in the context of the circular in 2001 regarding Suspension of Dealings of authorized funds which is still posted on the SFC's website at <http://www.sfc.hk/edistributionWeb/gateway/EN/circular/products/product-authorization/openFile?refNo=H004>.

The 2001 circular provides guidance on, amongst others, the factors to be considered

before deciding to suspend dealings, means of notification and the content requirements of a suspension notice. Can the SFC clarify whether the circular is still applicable or will be updated in light of the revised Code requirements?

In particular, under paragraph 11 of the 2001 circular on means of notification, it is stated that the Commission is prepared to consider other means of notification, such as by letters to individual holders, but the SFC's prior approval should be sought. Would letters by themselves to individual holders be acceptable to the SFC as the only means of communication in this regard (we presume so but only if it can be justified as "appropriate" in any particular case) and whether the SFC's prior approval would always be required. We presume that the answer would depend upon the level of confidence in actually reaching the individual holders by letter, rather than combining letters with say the broader distribution on the relevant website.

Question 4: Do you agree that the proposed implementation timeline is acceptable and practicable, taking into account the needs and circumstances of various stakeholders?

Law Society's response:

Agreed.

The Law Society of Hong Kong
23 July 2014