



SECURITIES AND FUTURES COMMISSION
證券及期貨事務監察委員會

Invitation to Tender for

SFC Risk Data Strategy and Analytics Project

**Phase 1 – Discovery and Design Phase and
Phase 2 – Implementation Phase**

6 June 2016



Invitation to Tender for

SFC Risk Data Strategy and Analytics Project

Phase 1 – Discovery and Design Phase and Phase 2 – Implementation Phase

We are pleased to invite your company to submit a proposal in respect of the captioned project. A copy of the Invitation to Tender is available for download from the “Invitations to tender” under “Others” section of the SFC website (<http://www.sfc.hk>).

If your company is interested in providing the service described in this Invitation to Tender, please send your proposal to the SFC at the address as shown in the Invitation to Tender by **2:00pm, Friday 15 July 2016**. Late proposals will not be considered.

For and on behalf of the
Securities and Futures Commission

A handwritten signature in black ink, appearing to be 'BN', with a large, sweeping flourish extending to the right.

Bénédicte N. Nolens
Senior Director and Head of Risk and Strategy
Securities and Futures Commission
6 June 2016



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1. Background

- 1.1 In the context of the fast growth of Financial Technology (“Fintech”), and the ability to deploy such technology within the regulatory context (“Regtech”), the SFC is undertaking a strategic review of its risk data analytics.
- 1.2 The goal is to make use of the fast evolution of Fintech and Regtech globally to complement the SFC’s daily work and existing processes.
- 1.3 This includes deploying such technologies to improve our regulatory risk-identification, monitoring and surveillance of:
 - (i) Our regulatees,
 - (ii) Listed corporates,
 - (iii) Trends in financial products and activities in the market more broadly.
- 1.4 We intend to achieve this through making a greater use of technologies such as data analytics, media analytics, and risk dashboards, amongst others.
- 1.5 Achieving this in turn involves a review of unstructured and structured data currently collected by the SFC, advice by the Tenderer as to data to be collected in the future, and advice as to how to best standardize unstructured data.
- 1.6 The present Invitation to Tender (the “Tender”) concerns a pilot group of Licensed Corporations (LCs)¹ and is expected to proceed in 2 phases:
 - (i) **Phase 1 - Discovery and Design Phase** – commencing from Q4 of 2016 and continuing into first half 2017.² The Project Specification and Deliverables are described in detail below;
 - (ii) **Phase 2 - Implementation Phase** – anticipated in second half of 2017 depending on the progress and result of Phase 1.³ The main Deliverables of this phase will be the implementation of the LC Risk Profiles, Risk Dashboards, KRI Alerts and other recommendations derived from the first phase.

2. Invitation to Tender and Interpretation

- 2.1 The purpose of this Tender is to invite Tenderers to submit proposals for both “**Phase 1 – Discovery and Design**” and for “**Phase 2 - Implementation Phase**” of the SFC Risk Data Strategy and Analytics Project (the “Project”). The specifications and the scope of the Project are included in the sections “**Project Specifications**” and “**Project Deliverables**” of this document.

¹ Expected to be comprised of less than 20 financial institutions.

² The longer time frame is provided so as to ensure that the relevant SFC supervisors can perform their daily supervisory tasks, while being available to the Tenderer for the purpose of the Project. It is not expected that Tenderers will work full time on the project from Q4 2016 to first half of 2017, but instead that they properly spread the work so that the SFC supervisors can continue their daily supervisory duties while working on the Project.

³ Ibid.



- 2.2 The Project is a joint initiative of the SFC Risk and Strategy unit (“R&S”), the Intermediaries Division, and the IT Department of the SFC.
- 2.3 In this document, the following terms shall have the following meanings:
- (i) “Contract” means a formal agreement to be entered into between the SFC and those successful Tenderer(s) in relation to the Project containing such terms and conditions as the parties shall agree including (but not limited to) those terms set out in this invitation to tender (unless the same shall have been modified by the SFC);
 - (ii) “Project” means the project described in section “Project Specifications” hereof;
 - (iii) “Risk data” is defined as data that contribute to the identification of risk for the sample concerned, and
 - (iv) “Tenderer” means the person or persons or corporation tendering for the Project and includes the executors and administrators and permitted assigns of such person or persons or corporation.
- 2.4 All tenders, technical details and price quotations must be separately submitted for the above 2 phases. Service providers can choose to tender for either one or both phases of the Project.

3. Project Specification

- 3.1 The Project is expected to start in Q4 of 2016 and continue into the second half of 2017.
- 3.2 The objectives of this Project are to:
- (i) Understand and categorize the unstructured and structured data collected for a sample group of LCs⁴, including:
 - a) Why such data are collected, what the relevant supervisors use them for, and why they are necessary;
 - b) How such data are currently collected, analyzed, stored and visualized;
 - c) How such collection, analysis, storage, and visualization can be improved through the creation of automated LC Risk Profiles, Risk Dashboards, KRI Alerts, standardization or other means.
 - (ii) By reference to global regulatory practices, advise which additional data should be collected to supplement the LC Risk Profiles, Risk Dashboards and KRI Alerts of the sample group, including:

⁴ See footnote 1.



- a) Validating a proposed list of additional external, proprietary data that can be collected to supplement the LC Risk Profiles, Risk Dashboards and KRI Alerts;
 - b) Identifying additional external, public and vendor data that can be used to supplement the LC Risk Profiles, Risk Dashboards and KRI Alerts;
 - c) Advising with which periodicity the above additional data should and can realistically be collected/ fed into the LC Risk Profiles, Risk Dashboards and KRI Alerts.
- (iii) Based on the above, for each financial institution in the sample group:
- a) Define the risk-weightings for the different data points collected/ to be collected, including how they contribute to the overall Risk Score(s) for the financial institutions in the sample group;
 - b) Create the conceptual design of the LC Risk Profiles, Risk Dashboards and KRI Alerts. This includes visualization of Risk Score(s) that assist in comparing the sample group.
- (iv) Define the Data Governance Framework necessary to support the above, including roles and headcount estimates.
- (v) Design a technical architecture for the implementation of the data extraction, transformation, KRI computation and visualization of the risk dashboard.
- (vi) Implement the LC Risk Profiles, Risk Dashboards, KRI Alerts and other recommendations derived from the first phase.

4. Project Deliverables

4.1 The concrete deliverables of this Project are:

- (i) **Detailed Project Schedule, Weekly Progress Reports, and Meeting Minutes** summarising the views, needs and expectations of the SFC Project Team members;
- (ii) **Phase 1 - Report setting out in detail:**
 - a) **Data** currently collected that should and technologically can be fed into the LC Risk Profiles, Risk Dashboards, and KRI Alerts of the sample group. This includes a technical feasibility analysis and should take into consideration the input received from the SFC Project Team members as to which data they judge most necessary to their daily tasks;
 - b) **Additional data** that should be collected to supplement the LC Risk Profiles, Risk Dashboards, and KRI Alerts of the sample group. This includes a technical feasibility analysis and should take into consideration the input received from the SFC Project Team



members as to which additional data they judge very useful to their daily tasks;

- c) **Risk-weightings** for the different data points above to derive overall Risk Score(s) for each financial institution in the sample group. This should take into consideration the input received from the SFC Project Team members as to which data and KRIs they view as important;
 - d) **KRI Alert trigger points** based on the different data points above. This should take into consideration the input received from the SFC Project Team members as to which KRI Alerts they view as important.
- (iii) **Phase 1 - Detailed Conceptual Design** of the:
- a) Risk Profiles,
 - b) Risk Dashboards,
 - c) Risk Score(s),
 - d) KRI Alerts.
- (iv) **Phase 1 - Technical specifications**, including use case, user interface, data source, technical architecture design, technical component specification, functional specification, datamart design and system integration design to achieve (iii) above;
- (v) **Phase 1 - Report setting out the Data Governance Framework** necessary to support (iii) above;
- (vi) **Phase 1 - Detailed proposed implementation timeline** for "Phase 2 – Implementation";
- (vii) **Phase 2 - Implementation** of the agreed Conceptual Design set out in (iii) above, through the implementation of the technical specifications set out in (iv) above.
- a) Our preference is that data should be consolidated to the SFC data platform (Oracle or Big Data) to support continued, future development of the Risk Data Strategy, but we are open to alternative suggestions;
 - b) The implementation should leverage and integrate with existing SFC technical infrastructure and avoid introduction of duplicated technologies;
 - c) The system should be implemented with high availability and disaster recovery features;
 - d) The implementation should include skills transfer to SFC staff;



- e) There should be at least 12 months of maintenance and support services after the implementation. A development and testing environment for on-going support should also be implemented;
- f) Long term support and maintenance requirements should be optimized and clearly stipulated in terms of additional headcount and annual expenditure estimates.

4.2 All deliverables are properties of the SFC, and they must meet the standards as defined in the SFC's established ISO 9001 procedures for SDLC (System Development Life Cycle). In particular, all System Integration Test problems/issues must be documented and tracked within a SFC prescribed database to facilitate project progress monitoring.

5. Guidelines For Tenderers

These guidelines are intended to provide Tenderers with guidance on the procedure for submitting their proposals and the approach that SFC will generally adopt in assessing such proposals. They do not bind, and are not intended to bind, the SFC in any way. The SFC reserves the right to accept or reject all or any part of a proposal.

A proposal that does not fulfill all mandatory requirements might also be considered if the proposed solution is competitive and highly compatible with common technologies.

5.1 Preparation and Submission of Proposals

5.1.1. What must proposals cover?

- i. In your proposal, the charges for each feature within each phase must be separately quoted and the total cost of each of the phases described above or your proposed phases (if different).
- ii. Tenderers may propose alternatives to the SFC's conditions and requirements if they consider that such conditions and requirements are either not feasible or do not provide the SFC with the best solution in the circumstances.

5.1.2 What form must proposals take?

- i. All proposals in writing must be submitted in both physical and electronic form.
- ii. One hardcopy of each proposal must be provided, together with a softcopy on CD-ROM (email or other media are not accepted). The softcopy should be in Microsoft Word® format (version 6 or above) or Adobe Acrobat® format (version 4 or above).
- iii. The SFC will not consider any proposal that is submitted in writing without an accompanying softcopy.

5.1.3 To whom must proposals be submitted?



- i. Written proposals should be marked with the reference “**SFC Risk Data Strategy and Analytics Project (Phase 1 – Discovery and Design Phase, and Phase 2 – Implementation Phase)**” and must be submitted in a sealed envelope and deposited to a TENDER BOX at the following address:

Securities and Futures Commission
30th Floor, Cheung Kong Center
2 Queen’s Road Central
Hong Kong

5.1.4 What is the deadline for the submission of proposals?

- i. Proposals must be received by the SFC at the above-mentioned address **on or before 2:00pm, 15 July 2016**.
- ii. The SFC will not consider any late proposals.

5.1.5 How must proposals be set out?

- i. For each of Phase 1 and Phase 2, a proposal separated into the following parts:
 - (a) a Technical Part describing the proposals;
 - (b) a detailed Project Schedule and Time line;
 - (c) a Price Schedule; and
 - (d) a Letter :
 - (i) offering to carry out the works described in the Technical Part for the prices detailed in the Price Schedule in compliance with the section "Payment and Other terms" of this Invitation to Tender;
 - (ii) stating the period that the offer is to remain open;
 - (iii) undertaking to negotiate in good faith to finalize promptly the Contract and to commence work immediately thereafter;
 - (iv) containing an acknowledgement and agreement that the SFC:
 - is not bound to accept the lowest tender or any tender;
 - reserves the right to make changes to the project requirement; and
 - will not defray any expenses incurred in tendering and/or in negotiating the Contract, whether successful or otherwise



- (v) signed by the Tenderer (in the case of an individual) or a duly authorised officer of the Tenderer (in the case of a company).
- ii. For the proposal hardcopy as well as its softcopy, the Technical Part the Price Schedule and the letter must be submitted as separate documents and be placed in separate envelopes. The envelope containing the Technical Part must be clearly marked "Technical Proposal". The envelope containing the Price Schedule must be clearly marked "Price Schedule" The envelope containing the Letter must be clearly marked "Offer Letter". Price information must not be specified in the Technical Part.
- iii. Details in relation to what should be specified in each part are set out in APPENDIX A (Content of Proposal) and B (Price Schedule) to this document.

5.1.6 How long should Tenderers' offers remain open?

- i. By making a proposal in response to this Invitation to Tender, a Tenderer will be treated as having made an offer to the SFC. A Tenderer should clearly state in its proposal how long this offer will remain open.
- ii. In order to allow the SFC sufficient time to consider all proposals validly submitted, Tenderers should keep their offers open for at least **90** days from the closing date of this Invitation to Tender. If this cannot be done, the reason must be stated in the proposal.

5.2 Queries Regarding This Invitation to Tender Or Proposals Made In Response

5.2.1 What if the SFC has any queries about a particular proposal?

- i. If the SFC considers that any aspect of a proposal requires clarification from the Tenderer, the SFC may request that the Tenderer
 - (a) supplement its proposal; or
 - (b) answer the SFC's queriesorally or in writing, or in any manner that the SFC deems fit.

5.2.2. What if a Tenderer has any queries?

- i. Any queries regarding this Invitation to Tender should be made to:

Ms Bénédicte Nolens
Senior Director, Head of Risk and Strategy
Securities and Futures Commission
35/F Cheung Kong Centre
2 Queen's Road Central, Central, Hong Kong

Telephone : (852) 2231 1217
Email : b nolens@sfc.hk

OR



Mr Rogers Chan
Senior Manager
Risk and Strategy, CEO Office

Telephone : 2231 1605
Email : rmcchan@sfc.hk

Note: Please sign and return the Confidentiality Acknowledgement (Appendix C) before making any enquiry.

6. Evaluation of Proposals

6.1 How does the SFC evaluate valid proposals that it receives?

6.1.1 There are two parts to the SFC's evaluation process: evaluation of the Technical Part and evaluation of the Price Schedule (in that order). The Price Schedule will only be considered after the SFC has evaluated the Technical Part. The SFC will not make any selection based solely on price.

6.2 Evaluation of the Technical Part

6.2.1 The SFC will generally evaluate the technical aspects of each proposal according to the following criteria:

- | | |
|--|-----|
| (a) Company background and related experience | 10% |
| – Previous experience which the Tenderer had in conducting similar development service | |
| (b) Quality in the proposed solution | 70% |
| – Including completeness and adequacy of the proposal according to the requirements as stipulated in this Invitation to Tender | |
| (c) Project team (please include CVs showing experience, qualifications and skills of the project team members) | 10% |
| (d) Similar reference sites | 10% |

The above criteria are for reference only, which provide Tenderers an indicative guideline of their relative significance. SFC reserves the right to change the criteria and/or the relative percentage weighting of any item without further notifying the Tenderers.

6.3 Notification of Results and Rejection of Proposals

6.3.1 The SFC will notify each tenderer by post and/or e-mail within **30** days of finalising its selection as to whether or not they have been selected by the SFC.

6.3.2 The SFC retains the right to reject any or all tenders(s) submitted.



6.4 Acceptance

6.4.1 No tender (or part thereof) shall be taken to have been accepted unless and until execution of the Contract.

7. Payment And Other Terms

7.1 Payment Terms

- (i) The SFC has a performance-based payment policy, under which payments will be made on actual delivery of services or products.
- (ii) Wherever possible, and if the SFC considers appropriate in the circumstances, the SFC will make payments to the successful Tenderer for each agreed phase of the project as follows:
 - i. 10% of the total contract price for each phase upon the SFC and the successful Tenderer entering into a binding contract in relation to that phase;
 - ii. 70% of the agreed value of services and/or products provided will be paid on the completion of the acceptance test for that phase of the project to the satisfaction of the SFC;
 - iii. 20% of the total contract price will be retained by the SFC and be paid after completion of warranty service for that phase of the project to the satisfaction of the SFC.

7.2 Termination of Service

- (i) The successful Tenderer shall use its best endeavours to perform the Contract with such due care and skill as is expected of a provider of similar services and products and of a comparable standing in the industry but if for whatever reason, the SFC in its opinion, concludes that the successful Tenderer is in breach of the Contract or does not provide the level of service required by the SFC, the SFC shall have the right to terminate the contract by notice in writing to the successful Tenderer.

7.3 Sub-contracting of Services

- (i) If a Tenderer wishes to sub-contract any part (or all) of its obligations under its proposal, this must be clearly specified in the proposal. The tender must also clearly specify the person(s) to whom the Tenderer wishes to sub-contract, and the precise services or obligations intended by the Tenderer to be subject to such sub-contract. Sub-contracting of services will not normally be permitted. SFC reserves the right to either accept or reject the subcontracting of services.

7.4 Conflicts of Interest

- (i) A Tenderer must have no or any potential conflicts of interest with its duties to the SFC under the proposal. If a Tenderer has, or has the potential, conflicts of interest with its duties to the SFC under the proposal, the Tenderer should



clearly state this in the proposal. This requirement extends to the Tenderer's associates, associated persons, group companies and each member of the Tenderer's professional staff (and their associates and associated persons).

7.5 The Incorporation of Proposals into Contract Signed with the SFC

- (i) Any proposals and responses submitted by the successful Tenderer to the SFC's inquiries may form part of the Contract made between the SFC and such Tenderer.
- (ii) Every representation by the successful Tenderer (whether of fact or performance, and whether set out in the proposal or otherwise) will be incorporated as warranties in any Contract between the SFC and such Tenderer. SFC preserves the right to seek for an indemnity should the awarded Tenderers fails to keep these warranties. Therefore, any statement of fact or performance that the Tenderer does not wish to be treated as a warranty should be clearly indicated.

7.6 Code of Conduct for Onsite Consultants

- (i) All employees, sub-contractors and consultants of the successful Tenderer working at the SFC's office on a full-time basis will be bound by the SFC Staff Code of Conduct. They will also be subject to prior police vetting and be required to disclose all dealing in securities and futures to the SFC. Exemption maybe granted on a case by case basis.

7.7 SFC Specified Contract

- (i) The successful Tenderer is expected to enter into the SFC specified contract upon awarding of this project. Any waiver, cancellation, alteration or amendment of or to any of the provisions of the SFC specified contract must be agreed to by both parties and effect in writing by the Tenderer and the SFC. A sample of the contract template is available to Tenderer upon signing of the Confidentiality Acknowledgement (Appendix C).

8. Grievance Procedures

- 8.1 SFC, as a public body, has a duty to conduct its affairs in a responsible and transparent manner. We have therefore put in place the Grievance Procedures with effect from 1 April 2004. The policy on Public Interest Grievances is intended to assist persons who are engaged by or to work in/with SFC who believes that they have discovered improper practices or misconduct relating to the running of SFC or work related activities of employees of SFC to report these in a constructive manner.
- 8.2 This policy is for any person who has an employment contract with SFC, is on secondment to SFC, is engaged as an independent consultant by SFC or is a contractor or supplier of services to SFC. Public Interest Grievances might include:
 - 8.2.1 Criminal activity, such as accepting a bribe;
 - 8.2.2 Financial or administrative malpractice;
 - 8.2.3 Misconduct or improper behaviour;



- 8.2.4 Failure to comply with legal obligations such as those set out in the Securities and Futures Ordinance;
 - 8.2.5 Endangering occupational health or safety;
 - 8.2.6 Attempts to suppress or conceal information relating to any of the above.
- 8.3 The Policy on Public Interest Grievances can be found on the SFC website under “Lodge a complaint -> Against the SFC -> Staff/contractor complaints against the SFC or its staff”. Please contact the Commission Secretary of the SFC if you have any questions.



9. Appendix A: Content of Proposal

The Tenderer is free to include any information that it considers to be relevant to its proposal. However, **as a minimum**, this part should contain all of the following:

Table of Contents

1. Executive Summary

1.1 This section should provide a full summary of the proposed solution.

2. The Proposed Solutions and Service Plan

2.1 This section should describe the proposals in detail and explain how the proposals meet the conditions and requirements set out in the section “Project Specifications”, and describe any limitations and compatibility issues associated with the proposals.

2.2 This section should also set out a detailed Project Schedule and Time line for Phase 1 and Phase 2 respectively.

3. Exceptions to the SFC’s Conditions and Requirements

3.1 If a Tenderer wishes to propose alternatives to the SFC’s conditions and requirements, these alternatives should be specified here. The Tenderer should explain:

3.1.1 why the SFC’s conditions and requirements do not provide the SFC with the best solution in the circumstances; and

3.1.2 the ways in which their alternatives are better.

4. Vendor Profile

4.1 The Tenderer should provide full details of its company profile. This should include the following matters:

4.1.1 the company’s background and history;

4.1.2 the company’s financial strength, supported by an audited report or financial summary;

4.1.3 its experience in similar projects;

4.1.4 references for similar projects (please provide the Scope, Team Size, Type of Services Provided etc) ; and

4.1.5 other relevant information.

5. Appendices

5.1 Project Team and Structure

5.1.1 Names, detailed qualifications and work experience to be assigned to implement the project and the team structure.

5.2 Other relevant information

5.2.1 The Tenderer can include any other information that it considers to be relevant to its proposal.



10. Appendix B: The Price Schedule

This part should contain all of the following:

1. Executive Summary

- 1.1 This part should provide a full summary of the project fees structure, and any payment arrangements.

2. Fees Schedule

- 2.1 All fees must be quoted in Hong Kong Dollars.
- 2.2 All fees should be properly itemised and explained and include all amounts payable by way of royalty, licence fee, software licence fee or otherwise for patent any copyright design or other intellectual property rights. The fee on hardware, software and consultancy services must be separately stated.
- 2.3 Fees must be separately quoted for Phase 1 and Phase 2. For each phase, please indicate the project schedule (including post-implementation support), estimated number of man-days for each role required and the rate for each role.

3. Payment Terms and Arrangements

- 3.1 Payment must correlate with major milestone/achievements or deliveries; in accordance with the SFC's performance-based payment policy (see "Payment And Other Terms" of this tender).



11. Appendix C: Confidentiality Acknowledgement

NOTE TO PROSPECTIVE TENDERERS

You should be aware that statutory provisions require -

Preservation of secrecy pursuant to section 378 of the SFO and in particular subsection (1) of that section.

Avoidance of conflict of interests pursuant to section 379 of the SFO and in particular subsections (1), (2) and (3) of that section.

Section 378 of the SFO binds you and in particular subsection (1) of that section which provides as follows:

- (1) Except in the performance of a function under, or for the purpose of carrying into effect or doing anything required or authorised under, any of the relevant provisions, a specified person -
- (a) shall preserve and aid in preserving secrecy with regard to any matter coming to his knowledge by virtue of his appointment under any of the relevant provisions, or in the performance of any function under or in carrying into effect any of the relevant provisions, or in the course of assisting any other person in the performance of any function under or in carrying into effect any of the relevant provisions;
 - (b) shall not communicate any such matter to any other person; and
 - (c) shall not suffer or permit any other person to have access to any record or document which is in his possession by virtue of the appointment, or the performance of any such function under or the carrying into effect of any such provisions, or the assistance to the other person in the performance of any such function under or in carrying into effect any such provisions.

TAKE NOTICE THAT IF YOU CONTRAVENE SECTION 378(1) OF THE SFO YOU COMMIT AN OFFENCE UNDER SECTION 378(10) OF THE SFO. ANY PERSON WHO COMMITS AN OFFENCE UNDER SECTION 378(10) IS LIABLE:

- (a) on conviction on indictment to a fine of HK\$1,000,000 and to imprisonment for two years; or
- (b) on summary conviction to a fine of HK\$100,000 and to imprisonment for six months.

Section 379 of the SFO binds you and in particular subsections (1), (2) and (3) of that section which provide as follows:

- (1) Subject to subsection (2), any member of the Commission or any person performing any function under any of the relevant provisions shall not directly or indirectly effect or cause to be effected, on his own account or for the benefit of any other person, a transaction regarding any securities, structured product, futures contract, leveraged foreign exchange contract, or an interest in any securities, structured product, futures contract, leveraged foreign exchange contract or collective investment scheme -
- (a) which transaction he knows is or is connected with a transaction or a person that is the subject of any investigation or proceedings by the Commission



- under any of the relevant provisions or the subject of other proceedings under any provision of the SFO; or
- (b) which transaction he knows is otherwise being considered by the Commission.

(2) Subsection (1) does not apply to any transaction which a holder of securities or a structured product effects or causes to be effected by reference to any of his rights as such holder -

- (a) to exchange the securities or structured product or to convert the securities or structured product to another form of securities or structured product;
- (b) to participate in a scheme of arrangement sanctioned by the Court of First Instance under the Companies Ordinance (Cap. 622) or the relevant Ordinance;
- (c) to subscribe for other securities or another structured product or dispose of a right to subscribe for other securities or another structured product;
- (d) to charge or pledge the securities or structured product to secure the repayment of money;
- (e) to realize the securities or structured product for the purpose of repaying money secured under paragraph (d); or
- (f) to realize the securities or structured product in the course of performing a duty imposed by law.

(3) Any member of the Commission or any person performing any function under any of the relevant provisions shall forthwith inform the Commission if, in the course of performing any function under any such provisions, he is required to consider any matter relating to -

- (a) any securities, futures contract, leveraged foreign exchange contract, structured product, or an interest in any securities, futures contract, leveraged foreign exchange contract, collective investment scheme or structured product -
- (i) in which he has an interest;
- (ii) in which a corporation, in the shares of which he has an interest, has an interest; or
- (iii) which -
- (A) in the case of securities, is of or issued by the same issuer, and of the same class, as those in which he has an interest;
- (B) in the case of a futures contract, is interests, rights or property based upon securities of or issued by the same issuer, and of the same class, as those in which he has an interest; or
- (C) in the case of a structured product, is interests, rights or property based on a structured product of or issued by the same issuer, and of the same class, as that in which he has an interest; or
- (b) a person -
- (i) by whom he is or was employed;
- (ii) of whom he is or was a client;
- (iii) who is or was his associate; or
- (iv) whom he knows is or was a client of a person with whom he is or was employed or who is or was his associate.

TAKE NOTICE THAT IF YOU CONTRAVENE SECTION 379(1) AND/OR SECTION 379(3) OF THE SFO YOU COMMIT AN OFFENCE UNDER SECTION 379(4) OF THE SFO. ANY PERSON WHO COMMITS AN OFFENCE UNDER SECTION 379(4) IS LIABLE:



- (a) on conviction on indictment to a fine of HK\$1,000,000 and to imprisonment for two years;
or
- (b) on summary conviction to a fine of HK\$100,000 and to imprisonment for six months.

The term “specified person” is defined in section 378(15) of the SFO and means-

- (a) the Commission;
- (b) any person who is or was a member, an employee, or a consultant, agent or adviser, of the Commission; or
- (c) any person who is or was -
 - (i) a person appointed under any of the relevant provisions;
 - (ii) a person performing any function under or carrying into effect any of the relevant provisions; or
 - (iii) a person assisting any other person in the performance of any function under or in carrying into effect any of the relevant provisions.

The term “person” has the meaning attributed to it in section 3 of the Interpretation and General Clauses Ordinance (Cap. 1) which provides that “person” includes any public body and any body of persons, corporate or unincorporate, and this definition shall apply notwithstanding that the word “person” occurs in a provision creating or relating to an offence or for the recovery of any fine or compensation.



ACKNOWLEDGEMENT AND UNDERTAKING

To : The Securities and Futures Commission (“SFC”)

In consideration of your releasing to us information concerning the technical platform and requirement details of the SFC’s computer system (the “Information”) in order that we may prepare a tender in response to the SFC’s Invitation to Tender for SFC Risk Data Strategy and Analytics Project, we acknowledge that we, and our employees, are assisting the SFC in the performance of its functions under the Securities and Futures Ordinance (Cap. 571) (“SFO”) and UNDERTAKE that we and our employees will -

- 1. keep the Information confidential;
- 2. use the Information in connection with the preparation of a tender to the SFC and for no other purpose; and
- 3. promptly destroy all copies of the Information in the event that our tender is not successful.

(Name of proposed tenderer)

Witnessed by:

Signature of authorised signatory

Signature

Name of signatory

Name

Title (Director/Company Secretary)

Title

Date

Date

Contact Number

Contact Number