

CONTENTS

<i>Preface</i>	viii
<i>Table of Cases</i>	xxix
<i>Table of Tribunal Hearings, Inquiries, and Enforcement Actions</i>	xli
<i>Table of Legislation</i>	xlii

PART I PRELIMINARY

1.	Short title	2
2.	Interpretation	2

PART II SECURITIES AND FUTURES COMMISSION

Division 1—The Commission

3.	Securities and Futures Commission	5
4.	Regulatory objectives of Commission	10
5.	Functions and powers of Commission	14
6.	General duties of Commission	19
7.	Advisory Committee	20
8.	Commission may establish committees	21
9.	Staff of Commission	22
10.	Delegation and sub-delegation of Commission's functions	23
11.	Directions to Commission	25
12.	Commission to furnish information	26

Division 2—Accounting and Financial Arrangements

13.	Financial year and estimates	26
14.	Appropriation	27
15.	Accounts and annual report	28
16.	Auditors and audit	28
17.	Investment of funds	30

PART III EXCHANGE COMPANIES, CLEARING HOUSES, EXCHANGE CONTROLLERS, INVESTOR COMPENSATION COMPANIES, AND AUTOMATED TRADING SERVICES

Division 1—Interpretation

18.	Interpretation of Part III	35
-----	----------------------------	----

Division 2—Exchange Companies

19.	Recognition of exchange company	38
20.	Transactions that may be conducted on recognized stock market and recognized futures market	42

21.	Duties of recognized exchange company	43
22.	Immunity, etc.	47
23.	Rules by recognized exchange company	50
24.	Approval of rules or amendments to rules of recognized exchange company	55
25.	Transfer and resumption of functions of Commission	57
26.	Appointment of chief executive of recognized exchange company requires approval of Commission	58
27.	Production of records, etc. by recognized exchange company	59
28.	Withdrawal of recognition of exchange company and direction to cease to provide facilities or services	60
29.	Direction to cease to provide facilities or services in emergencies	62
30.	Contravention of notice constitutes offence	65
31.	Prevention of entry into closed trading markets	66
32.	Publication of directions	67
33.	Appeals	67
34.	Restriction on use of titles relating to exchanges, markets, etc.	69
35.	Contract limits and reportable open position	69
36.	Rules by Commission	71
Division 3—Clearing Houses		
37.	Recognition of clearing house	73
38.	Duties of recognized clearing house	75
39.	Immunity, etc.	76
40.	Rules by recognized clearing houses	78
41.	Approval of rules or amendments to rules of recognized clearing house	81
42.	Production of records, etc. by recognized clearing house	82
43.	Withdrawal of recognition of clearing house and direction to cease to provide facilities	83
44.	Appeals	85
45.	Proceedings of recognized clearing house take precedence over law of insolvency	85
46.	Supplementary provisions as to default proceedings	87
47.	Duty to report on completion of default proceedings	88
48.	Net sum payable on completion of default proceedings	88
49.	Disclaimer of property, rescission of contracts, etc.	89
50.	Adjustment of prior transactions	90
51.	Right of relevant office-holder to recover certain amounts arising from certain transactions	91
52.	Application of market collateral not affected by certain other interests, etc.	92
53.	Enforcement of judgments over property subject to market charge, etc.	93
54.	Law of insolvency in other jurisdictions	94
55.	Clearing participant to be party to certain transactions as principal	94
56.	Property deposited with recognized clearing house	95
57.	Preservation of rights, etc.	96
58.	Amendment of Schedule 3	96
Division 4—Exchange Controllers		
59.	Recognition of exchange controller	97

60.	Interest of recognized exchange controller in recognized exchange company or recognized clearing house cannot be increased or decreased except with approval of Commission	101
61.	Person not to become minority controller of exchange controller, etc. without approval of Commission	101
62.	Exemption from section 59(1) and revocation of exemption	105
63.	Duties of recognized exchange controller	107
64.	Immunity, etc.	108
65.	Establishment and functions of Risk Management Committee	109
66.	Rules by recognized exchange controllers	110
67.	Approval of rules or amendments to rules of recognized exchange controller	111
68.	Transfer and resumption of function of Commission	112
69.	Chairman of recognized exchange controller	114
70.	Appointment of chief executive or chief operating officer of recognized exchange controller requires approval of Commission	114
71.	Production of records, etc. by recognized exchange controller	115
72.	Withdrawal of recognition of exchange controller	116
73.	Appeals	118
74.	Provisions applicable where recognized exchange controller, etc. seeks to be listed corporation	118
75.	Commission may give directions to recognized exchange controller where it is satisfied that conflict of interest exists, etc.	120
76.	Fees to be approved by Commission	121
77.	Financial Secretary may appoint not more than 8 persons to board of directors of HKEC	121
78.	Amendment of Schedule 3	122
Division 5—Investor Compensation Companies		
79.	Recognition of investor compensation company	122
80.	Transfer and resumption of functions of Commission	126
81.	Immunity, etc.	127
82.	Rules by recognized investor compensation company	128
83.	Approval of rules or amendments to rules of recognized investor compensation companies	129
84.	Production of records, etc. by recognized investor compensation company	130
85.	Withdrawal of recognition of investor compensation company	131
86.	Appeals	133
87.	Subrogation of recognized investor compensation company to rights, etc. of claimant on payment from compensation fund	134
88.	Financial statements of a recognized investor compensation company	136
89.	Employees of and delegations by a recognized investor compensation company	137
90.	Further activities of recognized investor compensation company	137
Division 6—General—Exchange Companies, Clearing Houses, Exchange Controllers and Investor Compensation Companies		
91.	Supply of Information	138
92.	Additional powers of Commission—restriction notices	139
93.	Additional powers of Commission—suspension orders	142

94.	Application of Companies Ordinance and Companies (Winding-Up and Miscellaneous Provisions) Ordinance (Amended 28 of 2012 ss. 912 & 920)	144
Division 7—Automated Trading Services		
95.	Authorization of providing automated trading services	145
96.	Application for authorization	156
97.	Conditions for authorization	157
98.	Withdrawal of authorization	159
99.	Commission to maintain register of authorized automated trading services	160
100.	Rules of Commission	161
101.	Providing automated trading services without authorization	162

PART IIIA OTC DERIVATIVE TRANSACTIONS

Division 1—Interpretation

101A.	Interpretation of Part IIIA	167
-------	-----------------------------	-----

Division 2—Reporting, Clearing, Trading and Record Keeping Obligations

101B.	Reporting obligation	171
101C.	Clearing obligation	172
101D.	Trading obligation	174
101E.	Record keeping obligation	175
101F.	Application by Commission to Court of First Instance for contravention of obligations	178
101G.	Application by Monetary Authority to Court of First Instance for contravention of obligations	179
101H.	Exemptions from obligations	180
101I.	Guidelines on exemptions	181

Division 3—Designation of Central Counterparties and Trading Platforms

101J.	Designation of central counterparties	182
101K.	Designation of trading platforms	184

Division 4—Rule Making Powers on Obligations and Designations

101L.	Rule making power—reporting obligation	185
101M.	Rule making power—fees	189
101N.	Rule making power—clearing obligation	190
101O.	Rule making power—trading obligation	194
101P.	Rule making power—record keeping obligation	195
101Q.	Rule making power—designations	198

Division 5—Systemically Important Participants

101R.	Persons who must notify positions in OTC derivative transactions	200
101S.	Commission to maintain register	201
101T.	Registration in SIP register	202

101U.	Notification not required after registration for specific class	203
101V.	Deregistration	204
101W.	Power to require information from registered SIPs	204
101X.	Power to require registered SIPs to take certain action	205
101Y.	Application to Court of First Instance	206
101Z.	Rule making power—notifications etc.	207

PART IV OFFERS OF INVESTMENTS

Division 1—Interpretation

102.	Interpretation of Part IV	211
------	---------------------------	-----

Division 2—Regulation of Offers of Investments, etc.

103.	Offence to issue advertisements, invitations or documents relating to investments in certain cases	214
104.	Commission may authorise collective investment schemes	257
104A.	Commission may authorise structured products	259
105.	Commission may authorise issue of advertisements, invitations or documents	260
106.	Withdrawal of authorisation under section 104, 104A or 105, etc.	262
107.	Offence to fraudulently or recklessly induce others to invest money	264
108.	Civil liability for inducing others to invest money in certain cases	268
109.	Offence to issue advertisements relating to carrying on of regulated activities, etc.	273
110.	Submission of information to Commission	276
111.	Service of notices, etc. on approved persons	277
112.	Amendment of Schedule 4	278

PART IVA OPEN-ENDED FUND COMPANIES

Division 1—Preliminary

112A.	Interpretation of Part IVA	285
112B.	Prohibition against carrying on business as open-ended fund company without registration etc.	285

Division 2—Incorporation, Registration, Name and Registered Office

112C.	Incorporation of open-ended fund company	286
112D.	Application for registration with Commission before incorporation	286
112E.	Requirements for registration	287
112F.	Commission may amend conditions of registration	287
112G.	Publication of particulars of open-ended fund company	288
112H.	Name of open-ended fund company	288
112I.	Registered office of open-ended fund company	288

Division 3—Capacity and Powers

112J.	Capacity of open-ended fund company	288
112K.	Instrument of incorporation of open-ended fund company	288
112L.	Effect of instrument of incorporation	289

Division 4—Contracts		
112M.	Contracts made by or on behalf of open-ended fund company	289
112N.	Contracts made before open-ended fund company's incorporation	290
112O.	Contracts made after cancellation of registration	290
Division 5—Share Capital and Shareholders' Liability		
112P.	Share capital of open-ended fund company	291
112Q.	Shareholders' liability	291
Division 6—Sub-funds		
112R.	Sub-funds of open-ended fund company	291
112S.	Segregated liability of sub-funds	291
Division 7—Directors, Investment Manager, Custodian, Sub-custodian and Auditor		
112T.	Interpretation of Division 7 of Part IVA	292
112U.	Directors	293
112V.	Restrictions on body corporate being director	293
112W.	Minimum age for appointment as director	293
112X.	Provisions as to undischarged bankrupt acting as director	294
112Y.	Validity of acts of director	294
112Z.	Investment manager	294
112ZA.	Custodian	294
112ZB.	Auditor	295
112ZC.	Provision protecting specified officer from liability void	295
112ZD.	Court of First Instance may grant specified officer relief in proceedings for misconduct	295
112ZE.	Court of First Instance may grant specified officer relief for misconduct on specified officer's application	296
Division 8—Supervision by Commission		
112ZF.	Commission's power to give directions	296
112ZG.	Application to Court of First Instance in respect of failure to comply with direction	297
112ZH.	Commission's power to cancel registration on open-ended fund company's application	298
112ZI.	Commission's power to cancel registration otherwise than on open-ended fund company's application	298
112ZJ.	Permission to carry on essential business operations on cancellation of registration	299
Division 9—Rules made by Commission		
112ZK.	Commission's power to make rules	300
112ZL.	Rules made with consent of Registrar of Companies	302
112ZM.	Rules made with consent of Official Receiver	304
112ZN.	OFC rules may prescribe offences	304
112ZO.	Modification or waiver of requirements of OFC rules by notice	304
112ZP.	Modification or waiver of requirements of OFC rules by rules	305

Division 10—Miscellaneous		
112ZQ.	Financial Secretary may make regulations relating to fees	305
112ZR.	Commission may publish codes and guidelines	306
112ZS.	Effect of codes and guidelines	307
112ZT.	Offence of fraudulent trading	307
PART V LICENSING AND REGISTRATION		
Division 1—Interpretation		
113.	Interpretation of Part V	312
114.	Restriction on carrying on business in regulated activities, etc.	315
115.	Application of section 114 in relation to conduct or activities outside Hong Kong	323
116.	Corporations to be licensed for carrying on regulated activities	325
117.	Grant of temporary licences to corporations for carrying on regulated activities	331
118.	Licensing conditions in certain cases	333
119.	Registered institutions	336
120.	Representatives to be licensed	340
121.	Temporary licences for representatives	343
122.	Approval and transfer of accreditation	345
123.	Commission to be notified, etc. if licensed representative ceases to act for principal	348
124.	Duplicate printed licence, etc.	349
125.	Requirement for executive officers	350
126.	Approval of responsible officers	351
127.	Variation of regulated activity for which licensed person or registered institution is licensed or registered	352
128.	Applicant to provide information	352
129.	Determination of <i>fit and proper</i>	353
130.	Suitability of premises for keeping records or documents	355
131.	Restriction on substantial shareholding, etc.	357
132.	Approval to become or continue to be substantial shareholder	359
133.	Commission's power to give directions	361
134.	Modification or waiver of requirements	362
135.	Events to be reported by licensed persons and registered institutions	365
136.	Commission to maintain register of licensed persons and registered institutions	367
137.	Publication of names of licensed persons and registered institutions	369
138.	Annual fee and return	370
139.	Prohibition of use of certain titles	371
140.	Procedural requirements	373
141.	Service of notices, etc. on licensed persons	374
142.	Amendment of Schedule 5	375
143.	Amendment of Schedule 6	375

**PART VI CAPITAL REQUIREMENTS,
CLIENT ASSETS, RECORDS AND AUDIT RELATING
TO INTERMEDIARIES**

Division 1—Interpretation

144.	Interpretation of Part VI	378
------	---------------------------	-----

Division 2—Capital Requirements

145.	Financial resources of licensed corporations	378
145A.	Commission may vary financial resources rules for particular licensed corporations	383
146.	Failure to comply with financial resources rule	385
147.	Monitoring compliance with financial resources rules	390

Division 3—Client Assets

148.	Client securities and collateral held by intermediaries and their associated entities	392
149.	Client money held by licensed corporations and their associated entities	399
150.	Claims and liens not affected	403

Division 4—Records

151.	Keeping of accounts and records by intermediaries and their associated entities	404
152.	Provision of contract notes, receipts, statements of account and notifications by intermediaries and their associated entities	406

Division 5—Audit

153.	Auditor to be appointed by licensed corporations and associated entities of Intermediaries	410
154.	Notification of proposed change of auditors by licensed corporations and associated entities of intermediaries	412
155.	Notification of end of financial year by licensed corporations and associated entities of intermediaries, etc.	413
156.	Audited accounts, etc. to be submitted by licensed corporations and associated entities of intermediaries	414
157.	Auditors of licensed corporations or associated entities of intermediaries to lodge report with Commission, etc. in certain cases	417
158.	Immunity in respect of communication with Commission, etc. by auditors of licensed corporations or associated entities of intermediaries	419
159.	Power of Commission to appoint auditors for licensed corporations and their associated entities	421
160.	Power of Commission to appoint auditors for licensed corporations and their associated entities on application	422
161.	Auditors appointed under section 159 or 160 to report to Commission	425
162.	Powers of auditors appointed under section 159 or 160	426
163.	Offence to destroy, conceal, or alter accounts, records or documents, etc.	429

Division 6—Miscellaneous

164.	Restriction on receiving or holding of client assets	430
165.	Associated entities	432
166.	Use of incriminating evidence in proceedings	436

**PART VII BUSINESS CONDUCT, ETC.
OF INTERMEDIARIES**

Division 1—Interpretation

167.	Interpretation of Part VII	438
------	----------------------------	-----

Division 2—Business Conduct

168.	Business conduct of intermediaries and their representatives	439
169.	Codes for business conduct of intermediaries and their representatives	441

Division 3—Restriction on Short Selling, etc.

170.	Short selling restricted	447
171.	Requirements to confirm short selling order	449
172.	Requirements to disclose short sales	452

Division 4—Other Requirements

173.	Requirements for options trading	454
174.	Certain agreements not to be made during unsolicited calls	455
175.	Requirements for offers by intermediaries or representatives for Type 1, Type 4 or Type 6 regulated activity	458
176.	Certain representations prohibited	462

PART VIII SUPERVISION AND INVESTIGATIONS

Division 1—Interpretation

178.	Interpretation of Part VIII	465
------	-----------------------------	-----

Division 2—Powers to Require Information, etc.

179.	Power to require production of records and documents concerning listed corporations, etc.	468
180.	Supervision of intermediaries and their associated entities	479
181.	Information relating to transactions	486

Division 3—Commission's Powers of Investigations

182.	Investigations by Commission	491
183.	Conduct of investigations	497
184.	Offences in relation to investigations	501

Division 3A—Monetary Authority's Powers of Investigation

184A.	Investigations by Monetary Authority	504
184B.	Conduct of investigations	504
184C.	Investigation reports	505
184D.	Offences relating to investigations	506
184E.	Recovery of costs of investigation	508

Division 4—Miscellaneous

185.	Application to the Court of First Instance relating to non-compliance with requirements under section 179, 180, 181, 183 or 184B	508
186.	Commission's Assistance to regulators outside Hong Kong	511
186A.	Monetary Authority's assistance to regulators outside Hong Kong	516
187.	Use of incriminating evidence in proceedings	518
188.	Lien claimed on records or documents	520
189.	Production of information in information systems, etc.	520
190.	Inspection of records or documents seized, etc.	521
191.	Magistrate's warrants	522
192.	Destruction of documents, etc.	525

PART IX DISCIPLINE, ETC.**Division 1—Interpretation**

193.	Interpretation of Part IX	528
------	---------------------------	-----

Division 2—Disciplinary Action by Commission

194.	Disciplinary action in respect of licensed persons, etc.	532
195.	Other circumstances for disciplinary actions in respect of licensed persons, etc.	537
196.	Disciplinary action in respect of registered institutions, etc.	540
197.	Other circumstances for disciplinary actions in respect of registered institutions, etc.	543
197A.	Disciplinary action for non-compliance by registered SIPs	545

Division 3—Miscellaneous Provisions Relating to Division 2

198.	Procedural requirements in respect of exercise of powers under Division 2	546
199.	Guidelines for performance of functions under section 194(2) or 196(2)	550
200.	Effect of suspension under Division 2 or 3	551
201.	General provisions relating to exercise of powers under Division 2 or 3	553
202.	Requirement to transfer records upon revocation or suspension of licence or registration	556
203.	Permission to carry on business operations upon revocation or suspension of licence or registration	556

Division 4—Disciplinary Action by Monetary Authority

203A.	Disciplinary action by Monetary Authority	560
-------	---	-----

Division 5—Miscellaneous Provisions Relating to Division 4

203B.	Procedural requirements for exercise of disciplinary powers	561
203C.	Guidelines for performance of functions under section 203A(1)(c)	562
203D.	General provisions relating to exercise of powers under Division 4	563
203E.	Recovery and payment of pecuniary penalty	564
203F.	Application to Court of First Instance relating to non-compliance with prohibition under section 203A	565

PART X POWERS OF INTERVENTION AND PROCEEDINGS**Division 1—Powers of Intervention**

204.	Restriction of business	567
205.	Restriction on dealing with property	569
206.	Maintenance of property	572
207.	Imposition of prohibition or requirement under section 204, 205 or 206	573
208.	Withdrawal, substitution or variation of prohibitions or requirements under section 204, 205, or 206	576
209.	General provisions relating to sections 204, 205, 206 and 208	577
210.	Cases of revocation or suspension of licensed corporations' licences	580
211.	Application to Court of First Instance relating to non-compliance with prohibitions or requirements under section 204, 205, 206 or 208	582

Division 2—Other Powers and Proceedings

212.	Winding-up orders and bankruptcy orders	583
213.	Injunctions and other orders	587
214.	Remedies in cases of unfair prejudice, etc. to interests of members of listed corporations, etc.	597
214A.	Remedies in cases of unfair prejudice etc. to interests of shareholders of open-ended fund companies	604
214B.	Order under section 214A altering open-ended fund company's instrument of incorporation	606

PART XI SECURITIES AND FUTURES APPEALS TRIBUNAL**Division 1—Interpretation**

215.	Interpretation of Part XI	610
------	---------------------------	-----

Division 2—Securities and Futures Appeals Tribunal

216.	Securities and Futures Appeals Tribunal	612
217.	Applications for review of specified decisions	615
218.	Proceedings before Tribunal	629
219.	Powers of Tribunal	638
220.	Use of incriminating evidence required by Tribunal	645
221.	Contempt dealt with by Tribunal	647
222.	Privileged information	648
223.	Costs	649
224.	Notification of Tribunal determinations	653
225.	Form and proof of orders of Tribunal	654
226.	Orders of Tribunal may be registered in Court of First Instance	654
227.	Applications for stay of execution of specified decisions	655
228.	Applications for stay of execution of decisions of Tribunal	656

Division 3—Appeals		
229.	Appeal to Court of Appeal	658
230.	No stay of execution on appeal	662
231.	No other right of appeal	662
Division 4—Miscellaneous		
232.	Time when specified decisions to take effect	663
233.	Rules by Chief Justice	665
234.	Amendment of Parts 2 and 3 of Schedule 8	665
PART XII INVESTOR COMPENSATION		
235.	Interpretation of Part XII	668
236.	Establishment of compensation fund	669
237.	Money constituting the compensation fund	670
238.	Management of compensation fund	672
239.	Money to be kept in account	672
240.	Accounts of compensation fund	673
241.	Investment of moneys	674
242.	Payments out of the compensation fund	675
243.	Subrogation of the Commission to rights, etc. of claimant on payment from compensation fund	677
244.	Rules by Chief Executive in Council and Commission	678
PART XIII MARKET MISCONDUCT TRIBUNAL		
Division 1—Interpretation		
245.	Interpretation of Part XIII	683
246.	Interests in securities (insider dealing)	693
247.	Connected with a corporation (insider dealing)	693
248.	Connected with a corporation—possession of inside information obtained in privileged capacity (insider dealing)	697
249.	Dealing in listed securities or their derivatives (insider dealing)	698
250.	Interest in securities and beneficial ownership, etc. (market misconduct other than insider dealing)	698
Division 2—Market Misconduct Tribunal		
251.	Market Misconduct Tribunal	700
252.	Market misconduct proceedings	703
252A.	Consent of Secretary for Justice for market misconduct proceedings	709
253.	Powers of Tribunal	710
254.	Further powers of Tribunal concerning evidence	712
255.	Use of evidence received for purposes of market misconduct proceedings	714
256.	Privileged information	715
257.	Orders, etc. of Tribunal	716
258.	Further orders in respect of officers of corporation	722
259.	Interest on moneys payable under order referred to in section 257(1)(d)	724
260.	Costs	724
261.	Contempt dealt with by Tribunal	725

262.	Report of Tribunal	727
263.	Form and proof of orders of Tribunal	728
264.	Orders of Tribunal may be registered in Court of First Instance	728
265.	Applications for stay of execution of orders of Tribunal under section 257, 258, 259 or 260	729
Division 3—Appeals, etc.		
266.	Appeal to Court of Appeal	730
267.	Powers of Court of Appeal on appeal	731
268.	No stay of execution on appeal	732
269.	Rules by Chief Justice	732
Division 4—Insider Dealing		
270.	Insider Dealing	733
271.	Insider dealing—certain persons not to be regarded as having engaged in market misconduct	740
272.	Insider dealing—certain trustees and personal representatives not to be regarded as having engaged in market misconduct	747
273.	Insider dealing—certain persons exercising right to subscribe for or acquire securities or derivatives not to be regarded as having engaged in market misconduct	748
Division 5—Other Market Misconduct		
274.	False trading	748
275.	Price rigging	759
276.	Disclosure of information about prohibited transactions	762
277.	Disclosure of false or misleading information inducing transactions	763
278.	Stock market manipulation	770
Division 6—Miscellaneous		
279.	Duty of officers of corporations	774
280.	Transactions relating to market misconduct not void or voidable	775
281.	Civil liability for market misconduct	776
282.	Conduct not to constitute market misconduct	779
283.	No further proceedings after Part XIV criminal proceedings	780
284.	Market misconduct regarded as contravention of provisions of this Part	780
PART XIV OFFENCES RELATING TO DEALINGS IN SECURITIES AND FUTURES CONTRACTS, ETC.		
Division 1—Interpretation		
285.	Interpretation of Part XIV	784
286.	Interests in securities (insider dealing offence)	787
287.	Connected with a corporation (insider dealing offence)	788
288.	Connected with a corporation—possession of information obtained in a privileged capacity (insider dealing offence)	791

289.	Dealing in listed securities or their derivatives (insider dealing offence)	793
290.	Interest in securities and beneficial ownership, etc. (market misconduct offences other than insider dealing offence)	793

Division 2—Insider Dealing Offence

291.	Offence of insider dealing	794
292.	Insider dealing offence—general defences	798
293.	Insider dealing offence—defences for certain trustees and personal representatives	803
294.	Insider dealing offence—defences for certain persons exercising right to subscribe for or acquire securities or derivatives	804

Division 3—Other Market Misconduct Offences

295.	Offence of false trading	804
296.	Offence of price rigging	818
297.	Offence of disclosure of information about prohibited transactions	821
298.	Offence of disclosure of false or misleading information inducing transactions	823
299.	Offence of stock market manipulation	829

Division 4—Other Offences

300.	Offence involving fraudulent or deceptive devices, etc. in transactions in securities, futures contracts or leveraged foreign exchange trading	831
301.	Offence of disclosure of false or misleading information inducing others to enter into leveraged foreign exchange contracts	835
302.	Offence of falsely representing dealings in futures contracts on behalf of others, etc.	839

Division 5—Miscellaneous

303.	Penalties	841
304.	Transactions relating to contravention of Divisions 2 to 4 not void or voidable	844
305.	Civil liability for contravention of this Part	844
306.	Conduct not to constitute offences	846
307.	No further proceedings after Part XIII market misconduct proceedings	847

PART XIVA DISCLOSURE OF INSIDE INFORMATION

Division 1—Interpretation

307A.	Interpretation of Part XIVA	853
-------	-----------------------------	-----

Division 2—Disclosure of Inside Information

307B.	Requirement for listed corporations to disclose inside information	857
307C.	Manner of disclosure	863
307D.	Exceptions to disclosure requirement	864
307E.	Waiver	867

307F.	Commission may make rules to prescribe circumstances in which disclosure requirement does not apply	868
307G.	Duty of officers of listed corporations	869

Division 3—Disclosure Proceedings in Market Misconduct Tribunal

307H.	Jurisdiction of Tribunal under this Part	870
307I.	Institution of disclosure proceedings	870
307J.	Object and conduct of disclosure proceedings	871
307K.	Right to be heard	872
307L.	Use of evidence received for purposes of disclosure proceedings	873
307M.	Privileged information	874
307N.	Orders of Tribunal	874
307O.	Notice and effect of orders of Tribunal	879
307P.	Costs	880
307Q.	Report of Tribunal	881
307R.	Form and proof of orders of Tribunal	882
307S.	Registration and filing of orders of Tribunal	882
307T.	Stay of execution of orders of Tribunal	883
307U.	Appeal to Court of Appeal	883
307V.	Powers of Court of Appeal on appeal	884
307W.	No stay of execution on appeal	885
307X.	Rules by Chief Justice	886

Division 4—Civil Liability for Breach of a Disclosure Requirement

307Y.	Interpretation and application	887
307Z.	Civil liability for breach of a disclosure requirement	887
307ZA.	Evidentiary provisions	888

PART XV DISCLOSURE OF INTERESTS

Division 1—Preliminary

308.	Interpretation of Part XV	896
309.	Exemptions	910

Division 2—Disclosure of Interests and Short Positions

310.	Duty of disclosure: cases in which it may arise	911
311.	Interests to be disclosed	916
312.	Short positions to be disclosed	919
313.	Circumstances in which the duty of disclosure arises	919
314.	Percentage level in relation to notifiable interests and short positions	936
315.	Notifiable percentage level and specified percentage level	938
316.	Notification of family and corporate interests and short positions	939
317.	Agreement to acquire interests in particular listed corporation	942
318.	Interests of parties to agreement	945
319.	Duty of parties to agreement acting together to keep each other informed	946

320.	Circumstances in which persons have interests or short positions in voting shares by attribution	947
321.	Notification by agents	949
Division 3—Interests and Short Positions to be Notified or Disregarded		
322.	Interests and short positions to be taken into account for the purpose of notification	950
323.	Interests and short positions to be disregarded for the purpose of notification	954
Division 4—Requirements for Giving Notification		
324.	Notification to be given	959
325.	Time of notification	960
326.	Particulars to be contained in notification	962
327.	Duty to publish and notify Monetary Authority of information given under Division 4	966
328.	Offences for non-compliance with notification requirements	966
Division 5—Listed Corporation's Powers to Investigate Ownership		
329.	Power of listed corporation to investigate ownership of interests in its voting shares, etc.	968
330.	Duty to notify relevant exchange company, Commission and Monetary Authority of information given under section 329	972
331.	Listed corporation to investigate ownership of interests in its voting shares, etc. on requisition by members	974
332.	Listed corporation to report to members	975
333.	Duty to deliver report prepared under section 332 to relevant exchange company, Commission and Monetary Authority	976
334.	Offences for failure to provide information required by listed corporation	977
335.	Inspection of reports	978
Division 6—Keeping of Register		
336.	Register of interests in shares and short positions	979
337.	Registration of interests and short positions disclosed under section 329	981
338.	Removal of entries from register	982
339.	Otherwise, entries not to be removed from register	983
340.	Inspection of register	984
Division 7—Disclosure of Interests and Short Positions of Directors and Chief Executives		
341.	Duty of disclosure by director and chief executive	985
342.	Interests to be disclosed by director and chief executive	989
343.	Short positions to be disclosed by director and chief executive	990
344.	Notification of family and corporate interests and short positions by director and chief executive	990

Division 8—Interests and Short Positions to be Notified by Director and Chief Executive or Disregarded		
345.	Interests and short positions to be taken into account for the purpose of notification by director and chief executive	992
346.	Interests and short positions to be disregarded for the purpose of notification by director and chief executive	995
Division 9—Requirements for Giving Notification by Director and Chief Executive		
347.	Notification to be given by director and chief executive	997
348.	Time of notification by director and chief executive	998
349.	Particulars to be contained in notification by director and chief executive	1000
350.	Duty to publish and notify Monetary Authority of information given under Division 9	1007
351.	Offences for non-compliance with notification requirements by director and chief executive	1008
Division 10—Keeping of Register of Directors' and Chief Executives' Interests and Short Positions		
352.	Register of directors' and chief executives' interests and short positions	1008
353.	Removal of entries from register of directors' and chief executives' interests and short positions	1011
354.	Otherwise, entries not to be removed from register of directors' and chief executives' interests and short positions	1012
355.	Inspection of register of directors' and chief executives' interests and short positions	1013
Division 11—Power to Investigate Listed Corporation's Ownership		
356.	Power to investigate ownership of listed corporation	1014
357.	Investigation of contraventions of sections 341 to 349	1016
358.	Inspector's powers during investigation	1017
359.	Production of records and evidence to inspectors	1017
360.	Delegation of powers by inspectors	1020
361.	Obstruction of inspectors	1020
362.	Inspector's reports	1021
363.	Expenses of investigation of affairs of corporation	1022
364.	Power to obtain information as to those interested in shares, etc.	1023
365.	Privileged information	1025
Division 12—Orders Imposing Restrictions on Shares, etc.		
366.	Power of Court of First Instance to impose restrictions on voting shares, etc. in case of failure to provide information required by listed corporation	1025
367.	Power of Financial Secretary to impose restrictions on shares, etc. in case of conviction of offences for non-compliance of notification requirements	1027

368.	Power of Financial Secretary to impose restrictions on shares, etc. in connection with investigation	1028
369.	Consequence of order imposing restrictions	1028
370.	Offences for attempted evasion of restrictions	1030
371.	Relaxation and removal of restrictions	1031
372.	Further provisions on sale by court order of restricted shares, etc.	1034

Division 13—Miscellaneous

373.	Liability of members for offences by corporations	1036
374.	Mandatory electronic filing of notifications and reports	1036
375.	Form of registers and indices	1038
376.	Regulations by Chief Executive in Council	1039
377.	Rules by Commission	1039

PART XVI MISCELLANEOUS

Division 1—Secrecy (general), Conflict of Interests, and Immunity

378.	Preservation of secrecy, etc.	1042
379.	Avoidance of conflict of interests	1059
380.	Immunity	1062
381.	Immunity in respect of communication with Commission by auditors of listed corporations, etc.	1065

Division 1A—Secrecy, etc. Relating to Monetary Authority's Functions under Specified Provisions

381A.	Preservation of secrecy	1069
381B.	Disclosure by Monetary Authority	1071
381C.	Disclosure if Monetary Authority considers condition satisfied	1073
381D.	Restrictions on disclosure by persons to whom information is disclosed	1075
381E.	Certain information to be given to Commission	1077
381F.	Disclosure of information to overseas persons with similar functions	1078

Division 2—General Provisions Regarding Proceedings and Offences

382.	Obstruction	1080
383.	False or misleading representations in applications to Commission	1082
385.	Power of Commission to intervene in proceedings	1090
385A.	Power of Monetary Authority to intervene in proceedings	1094
386.	Proceedings not to be stayed	1095
387.	Standard of proof	1097
387A.	Civil proceedings by Commission	1099
388.	Prosecution of certain offences by Commission	1099
388A.	Prosecution of offences by Monetary Authority	1101
389.	Limitation on commencement of proceedings	1102
390.	Liability of officers of corporations for offences by corporations, and of partners for offences by other partners	1104
391.	Civil liability for false or misleading public communications concerning securities and futures contracts	1107

Division 3—Power to Make Rules, and Codes or Guidelines, etc.

392.	Financial Secretary to prescribe interests, etc. as securities, etc.	1114
392A.	Financial Secretary to prescribe markets, instruments, etc.	1117
393.	Financial Secretary to prescribe arrangements as collective investment schemes	1118
394.	Orders by Chief Executive in Council for levies	1119
395.	Rules by Chief Executive in Council for payment of fees	1121
396.	Reduction of levy	1122
397.	Rules by Commission	1123
398.	General provisions for rules by Commission	1126
399.	Codes or guidelines by Commission	1129

Division 4—Miscellaneous

400.	Service of notices, etc.	1131
401.	Evidence regarding Commission's records or documents	1136
402.	General requirements for documents lodged with Commission	1137
403.	General provisions for approvals by Commission	1140
404.	Exclusions of provisions of Gambling Ordinance	1140
405.	Inland Revenue Ordinance not affected	1141

PART XVII REPEALS AND RELATED PROVISIONS

406.	Repeals	1147
407.	Savings, transitional, consequential and related provisions, etc.	1148
408.	Provisions of Part XVII, etc. not to derogate from section 23 of Interpretation and General Clauses Ordinance	1150
409.	Amendments of Schedule 10	1151

Schedules

1	Interpretation and General Provisions	1154
2	Securities and Futures Commission	1204
3	Exchange Companies, Clearing Houses and Exchange Controllers	1214
4	Offers of Investment	1222
5	Regulated Activities	1224
6	Specified Titles	1260
7	Offers by Intermediaries or Representatives for Type 1, Type 4 or Type 6 Regulated Activity under Section 175 of this Ordinance	1261
8	Securities and Futures Appeals Tribunal	1267
9	Market Misconduct Tribunal	1283
10	Savings, Transitional, Consequential and Related Provisions, etc.	1290
11	Transitional Provisions for Securities and Futures (Amendment) Ordinance 2014	1335

Index

1380