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ProView Exclusive Materials

As a bonus to our readers, *provided exclusively on our ProView eBook platform* is the full legislation and an overview summary of the new:

- (i) Part IVA of the Ordinance – which provides the regulatory framework on open-ended fund companies;
- (ii) Schedule 11 of the Ordinance – which provides the transitional framework for the recent amendments to this Ordinance; as well as the
- (iii) Securities and Futures Ordinance Derivation Table – which provides the source material from which these provisions of the Ordinance were derived from.

| | |
|--|---|
| US Securities and Exchange Act of 1934 | |
| s.9(a)(1)..... | 274.05, 295.08 |
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Part I

PRELIMINARY

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Introduction

Overview of the Securities and Futures Ordinance

The Securities and Futures Ordinance came into effect on 1 April 2003.

The Securities and Future Bill was published on 7 April 2000 and consolidated 10 ordinances relating to the securities and futures industry at the time, which included:

- (1) Securities and Futures Commission Ordinance (Cap.24) (enacted 1989)
- (2) Commodities Trading Ordinance (Cap.250) (enacted 1976)
- (3) Securities Ordinance (Cap.333) (enacted 1974)
- (4) Protection of Investors Ordinance (Cap.335) (enacted 1974)
- (5) Stock Exchanges Unification Ordinance (Cap.361) (enacted 1980)
- (6) Securities (Insider Dealing) Ordinance (Cap.395) (enacted 1990)
- (7) Securities (Disclosure of Interests) Ordinance (Cap.396) (enacted 1988)
- (8) Securities and Futures (Clearing Houses) Ordinance (Cap.420) (enacted 1992)
- (9) Leveraged Foreign Exchange Trading Ordinance (Cap.451) (enacted 1994)
- (10) Exchanges and Clearing Houses (Merger) Ordinance (Cap.555) (enacted 2000)

The above repealed ordinances were considered complex and cumbersome by the government, and its regulatory approaches inadequate for investor protection. The Bill aimed to enshrine a user-friendly regulatory regime for the development of a fair, orderly and transparent market that would be competitive internationally as well as attractive to investors, issuers and intermediaries. Specifically it sought to create a modern legal framework that:

- (1) promoted market confidence;
- (2) secured appropriate investor protection;
- (3) reduced market malpractice and financial crimes; and
- (4) facilitated innovation and competition.