

L.N. 135 of 2011

**Securities and Futures (Professional Investor)
(Amendment) Rules 2011**

(Made by the Securities and Futures Commission under section 397(1)
of the Securities and Futures Ordinance (Cap. 571))

1. Commencement

These Rules come into operation on 16 December 2011.

2. Securities and Futures (Professional Investor) Rules amended

The Securities and Futures (Professional Investor) Rules (Cap. 571 sub. leg. D) are amended as set out in section 3.

3. Section 3 amended (persons prescribed as professional investors)

(1) Section 3(a), after “any foreign currency”—

Add

“at the relevant date or”.

(2) Section 3(b), English text, after “any of his”—

Add

“or her”.

- (3) Section 3(b), after “any foreign currency”—

Add

“at the relevant date or”.

- (4) Section 3(c), before “as ascertained by referring to”—

Add

“at the relevant date, or”.

- (5) Section 3—

Repeal paragraph (d)

Substitute

“(d) any corporation the sole business of which at the relevant date is to hold investments and which at the relevant date is wholly owned by any one or more of the following persons—

- (i) a trust corporation that falls within the description in paragraph (a);

- (ii) an individual who, either alone or with any of his or her associates on a joint account, falls within the description in paragraph (b);
- (iii) a corporation that falls within the description in paragraph (c);
- (iv) a partnership that falls within the description in paragraph (c).”.

Alexa LAM
Acting Chief Executive Officer,
Securities and Futures Commission

1 September 2011

Explanatory Note

The purpose of these Rules is to amend the Securities and Futures (Professional Investor) Rules (Cap. 571 sub. leg. D) (*principal Rules*) to prescribe additional means of ascertaining whether an investor is a professional investor under section 3(a), (b) and (c) of the principal Rules and to prescribe additional types of corporations as professional investors under section 3(d) of the principal Rules.

2. Section 1 provides for commencement.
3. Section 3 extends section 3(a), (b) and (c) of the principal Rules to prescribe that a trust corporation, individual (either alone or with any of his or her associates), corporation or partnership is a professional investor if they have the required assets or portfolio (as the case may be) at the relevant date (as defined by section 2 of the principal Rules).
4. Section 3 also extends section 3(d) of the principal Rules to prescribe as a “professional investor” any corporation the sole business of which at the relevant date is to hold investments and which at the relevant date is wholly owned by one or more trust corporations, individuals (either alone or with any of their associates), corporations or partnerships (where they are prescribed as professional investors within the scope of section 3(a), (b) or (c) of the principal Rules (as the case may be)).