

## **The Hong Kong Association of Online Brokers Limited**

### **The Hong Kong Association of Online Brokers Chairman's Report (2010-2011)**

I am pleased to present my report on The Hong Kong Association of Online Brokers Limited ("HKAOB"). During the period of 2010/2011, the Chairmanship was served by Mr Steve Chan of OSK Securities Limited until November 2010 and Mr. Peter Wong of Haitong International Securities Company Limited until May 2011. For the remaining of the term, I represented BOCI Securities Limited and served as Chairman.

During the period of 2010/2011, HKAOB conducted the following activities to fulfill the objectives of the Association:

1. Responded to various market consultations issued by HKEx, SFC and Financial Services and the Treasury Bureau. The most significant ones include:
  - (a) Consultation Paper on Changes to Trading Hours
  - (b) Consultation Paper on After-hours Futures Trading
  - (c) Consultation on Guidelines for Anti-Money Laundering Rules
  - (d) Consultation on the Guidelines for Financial Dispute Resolution Centre
2. Participated in various meetings/functions held by market regulators, including:
  - (a) Regular meeting with SFC and HKEx
  - (b) Luncheon with Charles Li, Chief Executive of HKEx
  - (c) Regular industry practitioners meeting organized by Hon Chim Pui Chung, Legislative Councillor
3. Participated in various functions organized by HKSAR Government to promote the status of Hong Kong as an international financial centre. The key functions include:
  - (a) Forum on the National 12<sup>th</sup> Five Year Plan

4. Participated in joint functions organized together with other industry organizations including:

- (a) 2011 Chinese New Year Cocktail Party
- (b) Farewell dinner party for Mr. Martin Wheatley, Chief Executive of SFC

During the term, we have expressed our concerns on HKEX's certain proposed infrastructure changes to Mr. Charles Li, CEO of HKEX and Ms. Alexa Lam, Deputy CEO of SFC, bringing forward our view on the proposed changes, which if implemented, will directly distort the level playing field among different group of exchange participants which in turn will indirectly jeopardize the public interest and their trust in the market integrity. In addition, we have put on record our objection to the following initiatives;

1. Anonymity of Brokers
2. Closing Auction
3. Co-Location
4. Reduction of Price Spread
5. Trifling with Stamp Duty

As for membership, we have admitted Kim Eng Securities Limited and Kingston Securities Limited as Full Member. Total number of members now stands at 22 (19 Full Members and 3 Associate Members).

As technology will continue to play an important role in the further development of the online trading industry, our Association continues to be at the forefront of promoting and establishing best practices and standard for the online securities and futures trading. I hope all Members can continue our efforts in setting industry standards, raising our profile among industry participants and regulators, voicing out our concerns on matters relevant to our industry and business.

**Oliver Ng**  
Chairman

September 7, 2011