



9 June 2010

Dear Members,

Re: Industry impact of new SFC product and sales process changes and cooling off provisions

The recently released SFC consultation paper, "Proposals to Enhance the Protection of the Investing Public", contains a series of new and [enhanced regulations on products and additional pre and post sales process reforms](#) which are likely to impact the way in which the financial planning community conducts business with their clients in the future.

Key areas of reform which will impact the financial planning industry include:

- (a) A series of investment product reforms. The most significant new initiative likely to impact financial planners relates to the introduction of the Product Key Facts Statements (Product KFS).
- (b) Revisions to be made to the current Code of Conduct that covers a range of new initiatives in relation to intermediary conduct and selling practices.
- (c) The introduction of new consumer "cooling off" provisions for unlisted structured investment products with a tenor of greater than 12 months.

As the leading professional body for the financial planning/wealth management industry in Hong Kong, IFPHK believes that it is important to keep members fully informed of key regulatory and or government policy changes which may have broad industry impact. To ensure you and your staff are fully briefed of the most recent SFC regulatory changes, IFPHK will be conducting a member event on July with key note speaker Mr. Chung Hing Hing, Director Intermediaries Supervision of SFC. We hope that this event provides members with an opportunity for an open and constructive dialogue with the regulator regarding any industry implementation questions you may wish to have answered. As most of the proposed changes are required to be implemented over a period of 12 months, IFPHK also intend to provide an opportunity for your organization to participate in training programs which will assist you and your staff members implement the required changes over the next 12 months. Further notice will be sent out to members regarding these activities in the near future.

Yours sincerely,

Eleanor Wan
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Institute of Financial Planners of Hong Kong