



SECURITIES AND
FUTURES COMMISSION
證券及期貨事務監察委員會

Investors' Rights & Responsibilities

13 – 17 July 2009

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Investors' Rights

Investors' rights as a shareholder

- **Right to know**
 - Listed companies must distribute financial report to registered shareholders
- **Right to receive rights & interests**
 - For example: receiving dividends or rights issue, etc.
- **Right to vote at shareholders' meetings**
- **Right to query senior management of the listed company**

Investors' Rights

Investors' rights as users of financial services

- **The right to know if the intermediaries (company and person) providing the services are licensed or not; and about related fees & charges**
- **The right to choose the language version of Customer Service Agreement**
- **The right to receive transaction confirmation within specific time after completion of transaction**
 - For example: transaction confirmation or monthly account statement, etc.

Investors' Rights

- **The right to request related and sufficient information to facilitate personal investment management**
 - Receive information to monitor account status
 - Receive information to facilitate choosing the suitable investment products
- **The right to complain the service providing company and staff for inappropriate handling of investment matters**

Knowing Fees & Charges

Example

- **Stock trading related fees**

- Stock brokerage commission (determined by banks & brokerage houses)
- SFC transaction levy (0.004% of transaction amount)
- HKEx transaction levy (0.005% of transaction amount)
- Stamp duty (0.1% of transaction amount)

Trading related documents

Example

- **Transaction confirmation**
 - Must be issued to client 2 working days after the trading day (T+2)
- **Account statement**
 - Must be issued to account holder, unless there is no holding in the account and no account transaction during the statement period

Investors' responsibilities

- **Do your homework before investing**
 - Read and understand thoroughly the offering documents of the investment products. In case of doubt, seek help from professionals
- **Understand what you are going to invest**
 - Understand features and corresponding risks of the investment products before making investment decision
- **Invest based on facts, not on rumours**
- **Invest according to your capability, avoid borrowing for your investment**

Investors' responsibilities

- **Know the financial services providing company**
 - Are the company and their staff licensed to sell the corresponding investment products?
- **You must read and understand thoroughly content of the customer agreement before signing**
- **Choose the account with investment style that suits you**
 - Example: cash (現金) / margin (孖展) / discretionary (授權自主) investment account
- **Give clear trading instructions**
- **Settle with the relevant company promptly after completion of trading**
- **Read your account statement regularly to understand the status of your account**
- **Refuse to let others use your account for their investment purpose**

What you need to know when giving instructions

- **Example: you should state clearly when giving stock trading instruction**
 - Buy or sell stock
 - Stock code or name
 - Buy or sell price
 - Quantity (in lots or shares)

Choosing Investment Advisor

- In general, investment advisors refer to those selling financial products, such as securities, insurance, mortgage and deposits, etc. or giving advices for these products, or those who provide financial planning services
- 3 types of investment advisors:
 - SFC licensed investment advisor
 - Banks
 - Insurance intermediaries (Insurance agent / broker)
- These 3 types of investment advisors are regulated different regulatory regimes



When choosing your investment advisor

- Understand your investment objectives
- Know your investment advisor
- Let your investment advisor know you
- Request investment advice in writing
- Ask your advisor why is the recommended product suits you
- Fully understand the recommended product



When choosing your investment advisor

- Don't invest in product which you don't understand
- Beware of unauthorised product
- Don't sign on any agreement without thoroughly understanding of its content
- Make sure you satisfy with the way your advisor answered your questions
- Monitor status of your investment portfolio regularly



Class activities

Activity 1

- **Click the following link and the button [Flash Video] on right hand corner of the web page. Let the participants watch the video and after that discuss with them what are the important points when choosing stock broker**
 - SFC's InvestEd website link: [Finding the right broker](#)

Activity 2

- **Click the following link and the button [Flash Video] on right hand corner of the web page. Let the participants watch the video and after that discuss with them how account documents can help them monitoring their investments and protecting their assets**
 - SFC's InvestEd website link: [Keeping an eye on your investment](#)

Q&A

SFC website : www.sfc.hk

InvestEd website : www.InvestEd.hk