

# **LETTER OF INTENT**

**JERSEY,  
CHANNEL ISLANDS**

**Jersey Financial Services  
Commission**

**HONG KONG SPECIAL  
ADMINISTRATIVE  
REGION  
OF THE PEOPLE'S  
REPUBLIC OF CHINA**

**Securities and Futures  
Commission**

**London, United Kingdom  
9 September 2005**

## LETTER OF INTENT

**Whereas** the Jersey Financial Services Commission, a statutory body corporate established pursuant to Article 2(2) of the Financial Services Commission (Jersey) Law 1998,

**And**

the Securities and Futures Commission of the Hong Kong Special Administrative Region of the People's Republic of China ("SFC"), a statutory corporation established pursuant to the repealed Securities and Futures Commission Ordinance (Cap. 24) and continued in existence pursuant to the Securities and Futures Ordinance (Cap. 571),

(each referred to as an "authority" and together as the "authorities"),

**Are** responsible for administering the law governing the securities and capital markets, regulating various investment products including collective investments schemes and fund management activities as well as facilitating and encouraging market development in their respective jurisdictions;

**And**

are members of the International Organization of Securities Commissions ("IOSCO") to which the IOSCO Objectives and Principles of Securities Regulation apply;

**And whereas**

The authorities wish to facilitate the development of deeper and broader investment markets in both jurisdictions and attain closer regulatory co-operation in a mutually beneficial manner;

**IT IS HEREBY DECLARED THAT**

Following the SFC's recognition of certain Jersey investment products as recognized jurisdiction schemes under the SFC's Code on Unit Trusts and Mutual Funds, the authorities have entered into this Letter of Intent the objective of which is to state their common intention to work towards the attainment of the following goals:-

1. Regulatory equivalence of the regulatory framework under their respective regimes in the areas of the regulation, supervision and marketing of mutually acceptable investment products;
2. Mutual recognition and establishment of cross-border distribution of mutually acceptable investment products that are regulated by each authority, respectively;
3. Further strengthening of regulatory co-operation and assistance between the authorities in matters pertaining to cross-border supervision of fund management activities;
4. The desire to provide each other with the mutual assistance necessary to facilitate the performance of the duties and functions with which each authority is entrusted within its jurisdiction to enforce or secure compliance with its laws and regulations;
5. Maintaining the confidentiality of any request made by one authority to the other, the content of such request, information provided on such request and matters that may arise from the consultation between the authorities for the purpose of facilitating the mutual recognition of mutually acceptable investment products;
6. Periodic exchange of views with each other about matters of common concern with a view to further improving mutual understanding and co-operation between the authorities;
7. Establishing a bilateral working group comprising staff of the authorities to work together with a view to attaining these goals. It is generally intended that such co-operation will be in accordance with the spirit of the IOSCO;
8. The scope of work and conditions pertaining to the above can be varied by mutual consent of the authorities.

This Letter of Intent will come into effect on the date specified below. Each authority may withdraw from the Letter of Intent at any time by giving 30 days prior written notice to the other authority.

**In witness whereof** the authorized representatives of the authorities signify their understanding by signing below.

Dated this 9th day of September 2005  
in London, United Kingdom.

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On behalf of the JFSC

Mr. David Carse, OBE

Director General

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On behalf of the SFC

Mr. Andrew Sheng

Chairman