

Securities and Futures (Investor Compensation— Compensation Limits) Rules

(Cap. 571 sub. leg. AC)

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Securities and Futures (Investor Compensation— Compensation Limits) Rules

(Cap. 571, section 244(1))

(Enacting provision omitted—E.R. 5 of 2018)

[1 April 2003] *L.N. 12 of 2003*

(Format changes—E.R. 5 of 2018)

Part 1

Preliminary

1. *(Omitted as spent—E.R. 5 of 2018)*

2. **Interpretation**

In these Rules, unless the context otherwise requires—

associated person (相聯者) has the meaning given by section 2 of the Claims Rules; (*L.N. 132 of 2019*)

claimant (申索人) has the meaning given by section 2 of the Claims Rules; (*L.N. 132 of 2019*)

Claims Rules (《申索規則》) means the Securities and Futures (Investor Compensation—Claims) Rules (Cap. 571 sub. leg. T); (*L.N. 132 of 2019*)

default (違責) has the meaning given by section 2 of the Claims Rules; (*L.N. 132 of 2019*)

default date (違責日期), in relation to a default, means—

- (a) the date of the default determined by the Commission under section 7(1)(b) of the Claims Rules;

- (b) if the Tribunal varies or confirms, under Part XI of the Ordinance, the date of the default determined by the Commission—the date as varied or confirmed by the Tribunal; or
- (c) if the Court of Appeal varies, under Part XI of the Ordinance, the date of the default as varied or confirmed by the Tribunal (if any)—the date as varied by the Court of Appeal; (*L.N. 132 of 2019*)

related assets (有連繫資產) has the meaning given by section 2 of the Claims Rules; (*L.N. 132 of 2019*)

specified person (指明人士) has the meaning given by section 2 of the Claims Rules; (*L.N. 132 of 2019*)

Stock Connect securities (互聯互通證券) has the meaning given by section 2 of the Claims Rules; (*L.N. 132 of 2019*)

Tribunal (審裁處) means the Securities and Futures Appeals Tribunal established by section 216 of the Ordinance. (*L.N. 132 of 2019*)

(*L.N. 132 of 2019*)

Part 2

Limits on Amount of Compensation

3. Limits on compensation to be made to claimants

- (1) If a claimant claims compensation in respect of the claimant's loss sustained as a result of a default committed—
 - (a) by—
 - (i) a specified person; or
 - (ii) any associated person of a specified person; and
 - (b) in relation to—
 - (i) any of the following securities—
 - (A) securities listed or traded, or to be listed or traded, on a recognized stock market;
 - (B) Stock Connect securities; and
 - (ii) related assets of the securities,

the total amount of compensation payable under section 9 of the Claims Rules to the claimant must not exceed the sum specified in subsection (3).
- (2) If a claimant claims compensation in respect of the claimant's loss sustained as a result of a default committed—
 - (a) by—
 - (i) a specified person; or
 - (ii) any associated person of a specified person; and
 - (b) in relation to—
 - (i) any futures contract traded on a recognized futures market; and

- (ii) related assets of the futures contract,
the total amount of compensation payable under section 9 of the Claims Rules to the claimant must not exceed the sum specified in subsection (3).
- (3) The following sum is specified for subsections (1) and (2)—
 - (a) if the default date is before 1 January 2020—\$150,000;
 - (b) if the default date is after 31 December 2019—\$500,000.

(L.N. 132 of 2019)