



DIVISION OF
MARKET REGULATION

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

September 26, 1995

Philip McBride Johnson, Esq.
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, N.W.
Washington, D.C. 20005-2111

Re: Hong Kong Futures Exchange Limited - Hang
Seng Index Options

Dear Mr. Johnson:

In your letter, dated September 13, 1995, on behalf of the Hong Kong Futures Exchange Limited ("HKFE"), you requested advice that the Division of Market Regulation ("Division") will not recommend enforcement action to the Securities and Exchange Commission ("Commission") against the HKFE under Section 6 of the Securities Exchange Act of 1934 ("Exchange Act"), against the HKFE's wholly-owned subsidiary, the Hong Kong Futures Clearing Corporation Limited ("HKCC"), under Section 17A of the Exchange Act, or against the HKFE or its members under Section 15 of the Exchange Act, if the HKFE and its members act as described below to familiarize certain registered broker-dealers and large financial institutions in the United States with its standardized listed options ("HSI Options") on the Hang Seng stock index ("HSI") without the HKFE registering with the Commission as a national securities exchange, without the HKCC registering with the Commission as a clearing agency, and without the HKFE or its members registering with the Commission as broker-dealers.

We understand the facts to be as follows:

The HKFE, founded in 1976 as The Hong Kong Commodity Exchange Ltd., is a company incorporated in Hong Kong and licensed as an Exchange Company by the Governor in Council of Hong Kong to establish and operate an exchange. The HKFE and the HKCC are subject to regulatory oversight by the Hong Kong Securities and Futures Commission ("SFC"). The HKFE's and the HKCC's offices, facilities, and operations are located in Hong Kong. Neither the HKFE nor the HKCC is registered under the Exchange Act in any capacity.

The HKFE offers a number of contracts, one of which is HSI Options. The HSI is a capitalization-weighted index launched in 1969.¹ The HSI is composed of 33 corporate stocks traded on the

¹ The HSI is managed by HSI Services Limited, a wholly-owned subsidiary of Hang Seng Bank Ltd.

Stock Exchange of Hong Kong ("SEHK"). All underlying stocks meet requirements for a substantial presence in Hong Kong in terms of turnover or total assets. Total capitalization of HSI stocks was approximately HK \$1,628 billion (US \$211 billion) on July 31, 1995, representing about 70% of the market capitalization of all equity securities traded on the SEHK. The HSI is compiled, computed, and disseminated publicly once per minute during trading hours. HSI Options are cash settled. The HSI Option is a European-style option exercisable only at expiry.

HSI Options trading takes place on a face-to-face open-outcry basis on the trading floor of the HKFE. Only HKFE members may execute transactions there. All HSI Options transactions are settled in Hong Kong dollars in Hong Kong. HKFE Options are not fungible or interchangeable with contracts that are traded on any other market. Thus, any HKFE position opened can be closed only on the HKFE or exercised only through the HKCC.

Registration and clearing of HSI Options will be performed by the HKCC. You describe HKCC as comparable in function to a clearing agency for a U.S. options market. The HKCC will be the counterparty to clearing members, all acting as principals, in respect of, inter alia, HSI Options registered by such clearing members with the HKCC. The HKCC will maintain a balance of open positions between all clearing members as writers and all clearing members as buyers of HSI Options. Non-clearing members and non-member customers are not party to any contracts registered by clearing members with HKCC. When such persons enter into HSI Options with a clearing member (or another member) of HKFE, the clearing member (or such other member) acts as a principal in relation to the non-clearing member or non-member customer and makes a matching contract on the market which, in the case of a clearing member, is registered with the HKCC or, in the case of a non-clearing member, leads to the registration with HKCC of a related contract by the clearing member with whom the non-clearing member has a clearing arrangement. Settlement of HSI Option transactions, and daily mark-to-market margin payments for clearing members as writers, will be required to be made to HKCC by HKFE clearing members.

The HKCC employs a margin methodology based on the Theoretical Intermarket Margin System ("TIMS") used by The Options Clearing Corporation ("OCC") and the Intermarket Clearing Corporation in the United States. The HKCC sets and adjusts initial and maintenance margins using commonly accepted volatility studies (setting margins at the higher of short, medium, and long term studies). The clearing system uses TIMS to mark to market all open positions daily and call for intra-day margin (when warranted). The HKCC operates a real-time risk management system, including intra-day updates to clearing members' positions. The risk management system also is backed by a "Reserve Fund," which includes cash deposits by (and

mutualization of risk among) all HKCC clearing members, insurance, and bank guarantees. The amount of the Reserve Fund currently exceeds HK \$230 million (US \$29 million).

The HKFE wishes to familiarize certain registered broker-dealers and large financial institutions in the United States with the HSI and its HSI Options. The HKFE, therefore, proposes to take the limited steps described below with respect only to "Eligible Broker-Dealers" and "Eligible Institutions." To be "Eligible," each broker-dealer or financial institution must meet the following standards:

- (1) it must be a "qualified institutional buyer" as defined in Rule 144A(a)(1) under the Securities Act of 1933 ("Securities Act"), or an international organization excluded from the definition of "U.S. person" in Rule 902(o)(7) of Regulation S under the Securities Act; and
- (2) it must have had prior actual experience with traded options in the U.S. options markets, and therefore have received the options disclosure document for U.S. standardized options required by Rule 9b-1 under the Exchange Act.

Members of the HKFE will be required to take reasonable steps to assure themselves, before effecting any HSI Options transaction for or with a customer located in the United States, that the customer is an Eligible Broker-Dealer or an Eligible Institution, that the customer is acting for its own account or the account of another Eligible Broker-Dealer or Eligible Institution or the managed account of a non-U.S. person (within the meaning of Rule 902(o)(2) under the Securities Act), and that the customer has received the HSI disclosure document referred to below.

Specifically, you represent that the HKFE will institute rules requiring HKFE members to furnish each Eligible Broker-Dealer or Eligible Institution with an HSI disclosure document before accepting an order from that Eligible Broker-Dealer or Eligible Institution to purchase or sell HSI Options. You state that these HKFE rules also will require each HKFE member to obtain from the Eligible Broker-Dealer or Eligible Institution the following written representations signed by an appropriate officer of the Eligible Broker-Dealer or Eligible Institution:

- (1) that it is an Eligible Broker-Dealer or Eligible Institution, and that as such (a) it owns and invests on a discretionary basis a specified amount of eligible securities sufficient for it to be deemed a qualified institutional buyer as defined in Rule 144A under the Securities Act and, if it is a bank, savings and loan association, or other thrift institution, that it has a

net worth meeting the requirements of Rule 144A under the Securities Act, and (b) it has had prior actual experience in the U.S. traded options markets, and as a result thereof has received the options disclosure document entitled "Understanding the Risks and Uses of Listed Options" ("Options Disclosure Document" or "ODD") that is prepared by OCC and U.S. options exchanges;

- (2) that it has received the HSI disclosure document;
- (3) that its transactions in the HSI Options are for its own account or the account of another Eligible Broker-Dealer or Eligible Institution, or the managed account of a non-U.S. person within the meaning of Rule 902(o)(2) of Regulation S under the Securities Act;
- (4) that it will not transfer any interest or participation in an HSI Option that it has purchased or written to any other U.S. person, or any person in the United States, that is not an Eligible Broker-Dealer or Eligible Institution;
- (5) that (a) it will cause any disposition of an HSI Option that it has purchased or written to be effected only on the HKFE and to be settled at the HKCC in Hong Kong, (b) it understands that any required payments for premiums, settlement, exercise, or closing of HSI Options must be made in Hong Kong and in Hong Kong dollars, and (c) it understands that, if it is a writer of HSI Options, margin must be provided to HKFE and maintained, measured, and deposited in Hong Kong dollars;
- (6) that, if it is an Eligible Broker-Dealer or Eligible Institution acting on behalf of another Eligible Broker-Dealer or Eligible Institution that is not a managed account, it has obtained from the other Eligible Broker-Dealer or Eligible Institution written representations to the same effect as these representations, and that it will provide those written representations to the HKFE member on demand; and
- (7) that it will notify the HKFE member of any change in the foregoing representations prior to placing any future order, and that the foregoing representations will be deemed to be made with respect to each order that it gives to the HKFE member.

The HKFE also will advise HKFE members that, under U.S. law, Eligible Institutions only may be dealt with in accordance with Rule 15a-6 under the Exchange Act, and as provided in paragraph

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(a)(3) of the Rule, principally through broker-dealers registered with the Commission.

An HSI disclosure document, in the form submitted to and reviewed by the Division, will be provided only to Eligible Broker-Dealers and Eligible Institutions. The document provides an overview of the HSI and HSI Options, with attention to significant differences from standardized options in the U.S. domestic options market, and sets forth special factors relevant to U.S. entities trading in HSI Options. The HKFE will not engage in any general advertisement concerning HSI Options in the United States.

The HKFE is an organized exchange operating and regulated abroad. HKFE will establish careful limitations to assure compliance with applicable U.S. securities laws. You represent that making information concerning the HSI Options available in the United States as described in this letter will serve to increase, in a responsible manner, information concerning an important and growing marketplace in the Far East that will be of benefit to appropriate U.S. professionals.

Finally, you also ask the Division to confirm (1) that provision of the HSI disclosure document by an HKFE member or an Eligible Broker-Dealer to an Eligible Broker-Dealer or an Eligible Institution will satisfy the obligation of an HKFE member or Eligible Broker-Dealer pursuant to Rule 9b-1(d) under the Exchange Act to furnish an options disclosure document before accepting an order from a customer to purchase or to sell an HSI Option, and (2) that the provision of the HSI disclosure document by an HKFE member to an Eligible Broker-Dealer or, in response to an unsolicited inquiry concerning options, to an Eligible Institution, will not constitute solicitation or the provision of a research report for purposes of Rule 15a-6 under the Exchange Act.

Response:

Based on the facts and representations set forth above, the Division will not recommend enforcement action to the Commission against HKFE or HKFE members under Section 15(a) of the Exchange Act if HKFE acts as you describe to familiarize Eligible Broker-Dealers and Eligible Institutions in the United States with HSI Options without HKFE or its members registering with the Commission as broker-dealers under Section 15(b) of the Exchange Act. Also, the Division will not recommend enforcement action to the Commission against HKFE members under Section 15(a) of the Exchange Act if, solely in connection with the satisfaction of a HKFE member's obligation under Exchange Act Rule 9b-1(d) and under the limited circumstances set forth above, (1) HKFE or a HKFE member provides the HSI disclosure document to an Eligible Broker-Dealer and the HKFE member effects transactions in HSI

Options with or for that Eligible Broker-Dealer pursuant to Rule 15a-6(a)(4) under the Exchange Act, or (2) HKFE provides the HSI disclosure document to an Eligible Institution in response to an otherwise unsolicited inquiry and the HKFE member effects transactions in HSI Options with or for that Eligible Institution pursuant to Rule 15a-6(a)(1) under the Exchange Act.

Based on the foregoing, the Division also will not recommend that the Commission take enforcement action against the HKCC under Section 17A of the Exchange Act if the HKCC operates solely in the manner described above for HSI Options without registering with the Commission as a clearing agency. In addition, the Division will not recommend that the Commission take enforcement action against HKFE under Section 5 of the Exchange Act if HKFE operates solely in the manner described above with respect to HSI Options traded on HKFE, without registering with the Commission as a national securities exchange under Section 6 of the Exchange Act.

Finally, the Division has reviewed the proposed HSI disclosure document. Based on our review of that document, the Division wishes to advise you that it will not recommend that the Commission take enforcement action against an Eligible Broker-Dealer or a HKFE member pursuant to Rule 9b-1(d) under the Exchange Act, if the Eligible Broker-Dealer, HKFE member, or HKFE furnishes the HSI disclosure document to an Eligible Broker-Dealer or Eligible Institution before the Eligible Broker-Dealer or Eligible Institution effects a transaction in HSI Options, subject to the following conditions:

- (1) the Eligible Broker-Dealer or Eligible Institution previously has received the ODD;
- (2) HKFE requires that HKFE members, before effecting a transaction with or for an Eligible Broker-Dealer or Eligible Institution in HSI Options, determine as described above that the Eligible Broker-Dealer or Eligible Institution has received the ODD and the HSI disclosure document and maintain a record of that determination; and
- (3) HKFE furnishes the Division, at least 30 days prior to the date definitive copies are furnished to Eligible Broker-Dealers or Eligible Institutions, with a copy of any amendment made to the HSI disclosure document because the information contained in that document becomes or will become materially inaccurate or incomplete, or because there is or will be an omission of material information necessary to ensure that the document is not misleading.

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These positions of the Division concern enforcement action only and do not represent conclusions on the applicability of statutory or regulatory provisions of the federal securities laws. The Division has taken these positions based, in part, on representations by the SFC that if requested by the Commission to supply information not in its possession, the SFC will examine the regulatory concern of the Commission. If the regulatory concern relates to matters in which the SFC has an interest, the SFC will undertake its own investigation of such matters and will share with the Commission the information obtained. The SFC also notes that Hong Kong has recently enacted legislation providing the SFC with specific powers to investigate matters and interview persons on behalf of overseas regulatory authorities. In addition, foreign broker-dealers, including HKFE members, electing to deal with U.S. institutional investors pursuant to Rule 15a-6(a)(3) under the Exchange Act are required to provide directly to the Commission, upon request, information, documents, testimony, and assistance in taking evidence of persons that relates to transactions pursuant to Rule 15a-6(a)(3) under the Exchange Act.

The positions of the Division in this letter are based on the representations that you have made; any different facts or conditions might require a different response, and these positions are subject to modification or revocation if the facts and representations set forth above are altered.

Sincerely,



Robert Colby
Deputy Director

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September 13, 1995

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BY HAND

Howard L. Kramer, Esq.
Associate Director
Division of Market Regulation
Securities and Exchange Commission
450 5th Street N.W.
Judiciary Plaza
Washington, D.C. 20549

Re: Hong Kong Futures Exchange Limited - Hang Seng Index
Options

Dear Mr. Kramer:

On behalf of the Hong Kong Futures Exchange Limited ("HKFE") and with respect to its standardized listed options on the Hang Seng stock index ("HSI")¹ (hereinafter "HSI Options")², we request your confirmation that, based on the circumstances stated in this letter, the Division of Market Regulation ("Division") will not recommend to the Securities and Exchange Commission ("Commission") any enforcement action if the HKFE engages in the limited marketing program in the United States ("U.S.") described more fully below:

- i) under Section 6 of the Securities Exchange Act of 1934 (the "1934 Act") against the HKFE, any offi-

¹ The Commission recently reviewed the HSI in connection with the HKFE's request to the Commodity Futures Trading Commission ("CFTC") for no-action treatment of its HSI futures contract. The CFTC awarded that relief on June 1, 1994. CFTC Interpretative Letter No. 94-50 (copy attached as Exhibit A), and reprinted at [1992-94 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 26,114.

² Contract specifications for HSI Options are attached hereto as Exhibit B.

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cer, director or member thereof, for failing to register with the Commission as a national securities exchange;

- ii) under Section 15 of the 1934 Act against the HKFE or any member thereof for failing to register with the Commission as a broker-dealer; or
- iii) under Section 17A of the 1934 Act against the HKFE or its wholly-owned subsidiary the HKFE Clearing Corporation Limited ("HKCC") for failing to register with the Commission as a clearing agency.

As more fully discussed below, we also request that you advise us (a) that furnishing the HSI disclosure document by a HKFE member or by an Eligible Broker-Dealer to an Eligible Broker-Dealer or Eligible Institution will satisfy any obligation of a broker or dealer under Rule 9b-1(d) of the 1934 Act to furnish an options disclosure document before accepting an order from a customer to purchase or sell HSI Options, and (b) that neither any HKFE member's furnishing to an Eligible Broker-Dealer nor, in response to an unsolicited inquiry concerning options, to an Eligible Institution of the HSI disclosure document, will constitute soliciting or the provision of a research report within the meaning of Rule 15a-6(a) under the 1934 Act.

The HKFE proposes to familiarize certain registered broker-dealers and large financial institutions in the U.S. with its HSI Options. The HSI is comprised of 33 corporate stocks traded on the Stock Exchange of Hong Kong, Ltd. ("SEHK"). The HSI is managed by HSI Services Limited, a wholly-owned subsidiary of Hang Seng Bank Ltd.

The HKFE, founded in 1976 as The Hong Kong Commodity Exchange Ltd., is a company incorporated in Hong Kong and licensed as an Exchange Company by the Governor in Council of Hong Kong to establish and

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operate an exchange. The HKFE and the HKCC are subject to regulatory oversight by the Hong Kong Securities and Futures Commission ("SFC"). The HKFE's and the HKCC's offices, facilities and operations are located in Hong Kong. The HKFE and the HKCC are subject to Hong Kong law, and are not registered under the 1934 Act in any capacity.

The HKFE offers a number of contracts, one of which is HSI Options. The HSI is a capitalization-weighted index launched in 1969. All underlying stocks meet requirements for a substantial presence in Hong Kong in terms of turnover and/or total assets. Total capitalization of HSI stocks was approximately HK\$ 1,628 billion (US\$ 211 billion) on July 31, 1995, representing about 70% of the market capitalization of all equity securities traded on the SEHK. The HSI is compiled, computed and disseminated publicly once per minute during trading hours. HSI Options are cash settled. The HSI Option is a European-style option exercisable only at expiry.

HSI Options trading takes place on a face-to-face open-outcry basis on the trading floor of the HKFE. Only HKFE members may execute transactions there. All HSI Options transactions are settled in Hong Kong dollars in Hong Kong. HKFE Options are not fungible or interchangeable with contracts that are traded on any other market. Thus, any HKFE position opened can be closed only on the HKFE or exercised only through the HKCC.

Registration and clearing of HSI Options will be performed by the HKCC. The HKCC is comparable in function to a clearing agency for a U.S. options market. The HKCC will be the counterparty to clearing members, all acting as principals, in respect of, inter alia, HSI Options registered by such clearing members with the HKCC. The HKCC will maintain a balance of open positions between all (clearing members as) writers and all (clearing members as) buyers of the contracts registered with the HKCC. Non-clearing members and non-member customers are not party to any contracts registered by clearing members with the HKCC. When such persons enter into HSI Options with a clearing member (or another member), the clearing member (or such other member) acts as a principal in relation to the non-clearing member or non-member customer

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and makes a matching contract on the market which, in the case of a clearing member, is registered with the HKCC or, in the case of a non-clearing member, leads to the registration with the HKCC of a related contract by the clearing member with whom the nonclearing member has a clearing arrangement. Settlement of HSI Option transactions, and daily mark-to-market margin payments for (clearing members as) writers, will be required to be made to the HKCC by clearing members. HSI Options will be cash settled only.

The HKCC employs a margin methodology based on the Theoretical Intermarket Margin System ("TIMS") used by the Options Clearing Corporation and the Intermarket Clearing Corporation in the United States. A copy of the HKFE's brochure "Client Margining System" which will accompany the HSI disclosure document discussed below, is attached as Exhibit C hereto. The HKCC sets and adjusts initial and maintenance margins using commonly accepted volatility studies (setting margins at the higher of short, medium and long term studies). The clearing system uses TIMS to mark all open positions to market daily, and call for intra-day margin (when warranted). The HKCC operates a real-time risk management system, including intra-day updates to clearing members' positions. The risk management system is also backed by a "Reserve Fund", which includes cash deposits by (and mutualization of risk among) all HKCC clearing members, insurance, and bank guarantees. The amount of the Reserve Fund currently exceeds HK\$ 230 million (US\$ 29 million).

The HKFE wishes to familiarize certain registered broker-dealers and large financial institutions in the U.S. with the HSI and its HSI Options. To do this it proposes to take the limited steps described below with respect only to "Eligible Broker-Dealers" and "Eligible Institutions". To be Eligible, each such entity must meet the following standards:

- (a) it must be a "qualified institutional buyer" as defined in Rule 144A ("Rule 144A") under the Securities Act of 1933 (the "1933 Act"), or an international organization excluded from the definition of "U.S. person" in Rule 902(o)(7) under the 1933 Act, and

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- (b) it must have had prior actual experience with traded options in the U.S. standardized options market (and, therefore, would have received the disclosure document for U.S. standardized options called for by Rule 9b-1 under the 1934 Act).

Members of the HKFE will be required to take reasonable steps to assure themselves, before effecting any HSI Options transaction for or with a customer located in the United States, that the customer is an Eligible Broker-Dealer or an Eligible Institution, that the customer is acting for its own account or the account of another Eligible Broker-Dealer or Eligible Institution or the managed account of a non-U.S. person (within the meaning of Rule 902(o)(2) under the 1933 Act), and that the customer has received the HSI disclosure document referred to below. The HKFE will advise its members that under U.S. law Eligible Institutions may be dealt with only in accordance with Rule 15a-6 under the 1934 Act, principally through U.S. registered broker-dealers as provided in that Rule.

The HKFE will institute rules requiring its members to furnish to Eligible Broker-Dealers and Eligible Institutions a HSI disclosure document before accepting an order from such entity to purchase or sell HSI Options. The rules will also require HKFE members to obtain from the Eligible Broker-Dealer or Eligible Institution a written acknowledgement, signed by an appropriate officer, to the following effect:

1. It is an Eligible Broker-Dealer or Eligible Institution and as such it (i) owns and invests on a discretionary basis a specified amount of eligible securities sufficient to be a qualified institutional buyer in accordance with Rule 144A (and if a bank, S&L, or other thrift institution, has a net worth meeting the requirements of Rule 144A), and (ii) has had prior actual experience in the U.S. standardized options market and as a result thereof has received the Options Disclosure Document entitled "Understanding the Risks

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and Uses of Listed Options" (the "ODD") that is prepared by the Options Clearing Corporation and U.S. options exchanges.

2. It has received the HSI disclosure document.

3. Its transactions in HSI Options are for its own account or for the account of another Eligible Broker-Dealer or Eligible Institution or for the managed account of a non-U.S. person within the meaning of Rule 902(o) under the 1933 Act.

4. It will not transfer any interest or participation in an HSI Option it has purchased or written to any other U.S. person, or to any person in the U.S., that is not an Eligible Broker-Dealer or Eligible Institution.

5. It will cause any disposition of HSI Options that it has purchased or written to be effected only on the HKFE and to be settled at the HKCC in Hong Kong, and that it understands that any required payments for premium, settlement, exercise or closing of HSI Options must be made in Hong Kong and in Hong Kong dollars. It also understands that, if a writer, margin must be maintained measured and deposited in Hong Kong dollars.

6. If it is an Eligible Broker-Dealer or Eligible Institution acting on behalf of another Eligible Broker-Dealer or Eligible Institution that is not a managed account, it has obtained from the other a written acknowledgment to the same effect as this acknowledgment and will provide it to the HKFE member upon demand.

7. It will notify the HKFE member of any change in the accuracy of the foregoing acknowledgment prior to placing any future order, and the foregoing representations will be deemed to be made with respect to each order it gives to the HKFE member.

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A HSI disclosure document, in the form previously submitted to and reviewed by the Division (Exhibit D hereto), will be provided only to Eligible Broker-Dealers and Eligible Institutions. The document will provide an overview of the HSI and HSI Options, with attention to significant differences from standardized options in the U.S. domestic options market, and set forth special factors relevant to U.S. entities trading in HSI Options.

The HKFE will not engage in any general advertisement concerning HSI Options in the United States.

It is clear from the foregoing that the HKFE will continue to be an organized exchange operating and regulated abroad, and that in making its HSI Options known to a particular sophisticated segment of the U.S. financial community it will not be altering this fact. It is also clear that careful limitations have been placed on steps to be taken in order to assure compliance with applicable U.S. securities laws, and the HKFE will continue as necessary to establish further limitations to assure continued compliance with applicable U.S. securities laws.

Making information concerning the HSI Options available in the United States as described in this letter will serve to increase, in a responsible manner, information concerning an important and growing marketplace in the Far East that will be of benefit to appropriate U.S. professionals.

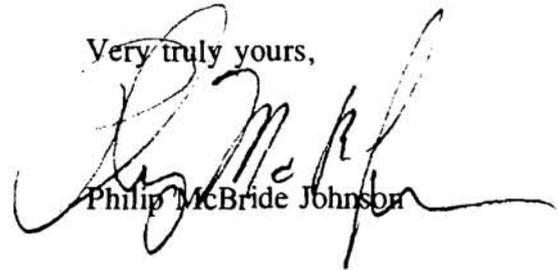
We, therefore, request on behalf of the HKFE that you confirm to us that the Division will not recommend that the Commission take enforcement action of the nature set forth in subparagraphs (i) through (iii) of the opening paragraph of this letter, and that you advise us (a) that furnishing the HSI disclosure document by a HKFE member or by an Eligible Broker-Dealer to an Eligible Broker-Dealer or Eligible Institution will satisfy any obligation of a broker or dealer under Rule 9b-1(d) of the 1934 Act to furnish an options disclosure document before accepting an order from a customer to purchase or sell HSI Options, and (b) that neither any HKFE member's furnishing to an Eligible Broker-Dealer nor, in response to an unsolicited inquiry concerning options, to an Eligible Institution of the HSI disclosure document, will constitute

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soliciting or the provision of a research report within the meaning of Rule 15a-6(a) under the 1934 Act.

If you need any further information concerning this request, please call me at (202) 371-7340 or Michael P. Rogan at (202) 371-7550.

Very truly yours,



Philip McBride Johnson

cc: Christine M. Sibille, Esq.
Division of Market Regulation