

# FEDERATION OF SHARE REGISTRARS LIMITED

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證券登記公司總會有限公司

23 March 2007

## **Joint Press Release by SFC/Federation of Share Registrars/HKMA/HKAB Preventive Measure Against Multiple IPO Applications**

A new measure will be implemented on 2 April to deter multiple applications for IPOs.

Currently, part of the number of an identification document - be it a Hong Kong ID card or a passport - of an IPO applicant (or the first-named applicant of a joint IPO application) is printed on the IPO refund cheque for unsuccessful applications. This measure was first introduced in August 2004 to deal with issues relating to incidents of stolen IPO refund cheques. In compliance with the requirements under the Personal Data (Privacy) Ordinance, the identity number is printed in the way that the 5<sup>th</sup> and 6<sup>th</sup> digits (including alphabets and numerals) are masked by an asterisk "\*\*". For example, the masked identity numbers may look like H123\*\*6(7), HK12\*\*56(7), P123\*\*6789, etc.

Recently, it was noted that there were incidents where some IPO applicants, in submitting multiple applications, had attempted to circumvent the existing arrangement for masking identity numbers in the refund cheques.

In order to improve the existing arrangement and to enhance the integrity of the IPO application process, the SFC, the Federation of Share Registrars Limited, the Hong Kong Monetary Authority, and the Hong Kong Association of Banks have been working closely together to devise a new measure to make it difficult for people to submit multiple applications.

Under the new preventive measure, the position of the two masked digits will vary from IPO to IPO, and will no longer be fixed at the 5<sup>th</sup> and 6<sup>th</sup> digits. The masked positions in each IPO will be randomly selected by a computer programme designed by the share registrar handling the IPO. The new measure will take effect for all IPOs launched on or after 2 April 2007.

It is envisaged that the new measure will discourage dishonest people from attempting multiple applications in IPOs because they may encounter difficulties in depositing and encashing the refund cheques bearing an identity number which is different from their own.

The SFC will continue to work with the industry and other relevant parties to identify ways to improve the operation and the integrity of the IPO application process.

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