

21st May 2012

Sent by Email and by Mail

Division 6
Financial Services and the Treasury Bureau
15/F, Queensway Government Offices
66 Queensway
Hong Kong

Dear Sirs,

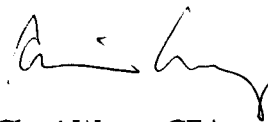
Re: **Consultation Paper on the Detailed Legislative Proposals on Trust Law Reform**

The Hong Kong Society of Financial Analysts generally supports the legislative proposals on Trust Law Reform which aims to cover the clarification of trustees' duties and powers, better protection of beneficiaries' interests, and modernisation of trust law. We support :

- i) imposing a statutory duty of care on trustees;
- ii) improving and clarifying the law relating to short-term delegation by a single trustee;
- iii) providing trustees with a general power of appointing agents, nominees and custodians;
- iv) giving trustees wider powers to insure any trust property against risks of loss by any event.

For professional trustees' entitlement to receive remuneration, we do not support the legislative proposals to provide professional trustees with a right to receive remuneration. We believe that fees are the responsibility of the parties to the trust. It is not the duty of the law to amend an agreement between competent parties. In case of major issues, the parties can apply to the courts for a remedy which has been working well. We think that the Trustee Ordinance should not be involved in this.

Yours faithfully,
For and on behalf of
The Board of The Hong Kong Society of Financial Analysts



Cheri Wong, CFA
Chief Executive Officer