



ICSA

INTERNATIONAL COUNCIL of SECURITIES ASSOCIATIONS

December 10, 2004

Mr. Andrew Sheng, Chairman
Hong Kong Securities and Futures Commission
8th Floor, Charter House
8 Connaught Road Central
Hong Kong

Re: International Forum for Investor Education (IFIE)

Dear Andrew,

Thank you very much for your letter of 29 November 2004. I greatly appreciate the promptness of your reply. I am also extremely heartened to hear that the Technical Committee will be discussing IOSCO's possible participation in the International Forum for Investor Education (IFIE) during its next meeting.

One of the projects that IFIE will be considering during 2005 is an international survey on investor literacy, which will also include questions regarding investors' attitudes towards securities markets and financial intermediaries. I am enclosing with this letter two recent surveys from the U.S. that cover these issues, one on investor literacy from NASD and one on investors' attitudes towards securities markets from SIA.

I mention this particular project because I think it is an area where members of IOSCO's Technical Committee could both benefit from and participate in the work of IFIE. At a broader level, the associations that are establishing IFIE strongly believe that the organization will be far more effective at accomplishing its objective of improving global standards for investor education if primary regulators participate actively in IFIE.

I am planning to be in Hong Kong at some point during the second or third week of January. If possible, I would very much like to meet with you to discuss the work that has been done to establish IFIE as an independent entity and the various ways that IOSCO's Technical Committee or its individual members could participate with IFIE.

I hope that it will be possible to meet with you in person or, failing that, have a telephone conference call. Please let me know if either of these options is possible.

I would also like to thank you for the invitation for an ICSA member to speak about investor education at IOSCO's 2005 AGM. We gladly accept the invitation and have, in fact, already been in communication about the presentation with Andrew Larcos of IOSCO's Secretariat.

I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read 'N. Bannister', with a stylized flourish at the end.

Nick Bannister
Senior Vice-President, NASD and Chairman,
ICSA Working Group on Investor Education

c.c. Ms. Marilyn Skiles, Secretary General, ICSA
Mr. Philippe Richard, Secretary General, IOSCO

Encl.