

Key achievements

In our Annual Report 2010-11, we set out a number of strategic initiatives to address major regulatory risks and challenges. The table below shows the milestones reached while the subsequent narrative portion offers more information, including the background, the current status and the work ahead.

Regulatory updates	See also
CRA regime	<ul style="list-style-type: none"> ☑ 1 June 2011: regulatory regime for credit rating agencies (CRAs) took effect; licences issued to: <ul style="list-style-type: none"> – five CRAs conducting business in Hong Kong – 156 of their rating analysts ☑ March 2012: signed memorandum of understanding with the European Securities and Markets Authority regarding the supervision of, and exchange of information concerning, CRAs
OTC derivatives regulation	<ul style="list-style-type: none"> ⌘ October 2011: consulted the public on proposals to establish a new regulatory regime for the OTC derivatives market
Short-position reporting regime	<ul style="list-style-type: none"> ⌘ 23 March 2012: gazetted the Securities and Futures (Short Position Reporting) Rules
International collaboration	<ul style="list-style-type: none"> ☑ During 2011-12: attended 27 meetings of the Financial Stability Board and the International Organization of Securities Commissions (IOSCO) to support global reform initiatives ☑ September 2011: Ms Alexa Lam, our Deputy CEO and Executive Director of the Policy, China and Investment Products Division appointed to co-chair the working group on margining requirements for non-centrally cleared derivatives ☑ During 2011-12: Mr Stephen Po, our Senior Director of Intermediaries Supervision, continued to chair the IOSCO's Standing Committee on the Regulation of Market Intermediaries

Keys: ☑ Completed ⌘ In progress or ongoing

Key achievements (cont'd)

Listing matters		See also
Newly accepted jurisdictions	<input checked="" type="checkbox"/> During 2011-12: The Stock Exchange of Hong Kong Ltd (SEHK) accepted three more jurisdictions ¹ allowing companies from these jurisdictions to seek a Hong Kong listing	Not applicable
Property valuation requirements	<input checked="" type="checkbox"/> January 2012: Legislative Council (LegCo) debated subsidiary legislation regarding property valuation requirements for a listing applicant's prospectus that came into effect on 1 January 2012	p.36
PSI disclosure	<input type="checkbox"/> June 2011: Securities and Futures (Amendment) Bill 2011 tabled in LegCo regarding statutory obligations for the listed corporations regarding disclosure of price-sensitive information (PSI) <input type="checkbox"/> 4 May 2012: gazetted the Securities and Futures (Amendment) Ordinance 2012; provisions on PSI regime to come into force on 1 January 2013	p.25
Protection against hacking	<input checked="" type="checkbox"/> August 2011: oversaw efforts of SEHK to strengthen the issuer information dissemination platform and related suspension arrangements, subsequent to the malicious attack to HKExnews site on 10 August 2011	Not applicable

¹ The jurisdictions include: Canada (Alberta), Guernsey and Delaware (American state).

Intermediaries conduct		See also
SFC-HKMA Mystery Shopping Programme	<input checked="" type="checkbox"/> May 2011: published securities sector findings, which identified deficiencies in the selling practices	p.33
Financial Dispute Resolution Centre	<input type="checkbox"/> November 2011: consulted the public on proposals to amend the Code of Conduct ² to support the establishment of the Financial Dispute Resolution Centre Ltd and to enhance the existing regulatory framework	p.25

² Code of Conduct for Persons Licensed by or Registered with the SFC

Keys: Completed In progress or ongoing

Key achievements (cont'd)

Renminbi product development		See also
RQFII funds	<ul style="list-style-type: none"> ☑ Late 2011: prepared for the launch of Renminbi Qualified Foreign Institutional Investor (RQFII) scheme ☑ As of 31 March 2012: authorized 19 RQFII funds 	p.38
New renminbi products	<ul style="list-style-type: none"> ☑ April 2011: authorized the world's first renminbi real estate investment trust ☑ January 2012: authorized the world's first renminbi-denominated gold exchange-traded fund 	p.35
Secondary market trading of listed renminbi securities	<ul style="list-style-type: none"> ☑ September 2011: approved the Hong Kong Exchanges and Clearing Ltd's (HKEx) proposals to introduce the Dual-Tranche-Dual-Counter model and the Renminbi Equity Trading Support Facility 	p.35

Market infrastructure		See also
Scriptless (paperless) securities market	<ul style="list-style-type: none"> ⌘ During 2011-12: finalising technical details of the operational model of a scripless market after concluding a public consultation in September 2010 	p.10, 26
Post-trade transparency of dark pools	<ul style="list-style-type: none"> ☑ February 2011: introduced a flagging requirement in trade reporting to facilitate the identification of trades of SEHK listed securities executed in dark pools 	p.34

Operational efficiency		See also
SFC online portal	<ul style="list-style-type: none"> ☑ November 2011: launched online portal submission for all types of licensing applications and the electronic payment of all licensing related fees 	p.32
Market monitoring capacity	<ul style="list-style-type: none"> ☑ Fourth quarter of 2011: enhanced the capacity of our real-time securities trading monitoring system 	p.44
Organisational structure	<ul style="list-style-type: none"> ⌘ March 2012: established a centralised risk and strategy unit ⌘ During 2011-12: formed cross-divisional project groups to administer the implementation of key projects ☑ During 2011-12: strengthened our dual filing capacity to deal with the regulation of initial public offerings 	p.15, 23-26

Keys: ☑ Completed ⌘ In progress or ongoing