

Table 1 Breaches noted during on-site inspections

Nature of breaches	Quarter ended 30.9.2015	Six months ended 30.9.2015	Six months ended 30.9.2014	YoY change (%)
Failure to comply with Securities and Futures (Financial Resources) Rules	4	9	11	-18.2
Failure to safekeep client securities	7	17	21	-19.1
Failure to maintain proper books and records	5	12	8	50
Failure to safekeep client money	11	20	10	100
Unlicensed dealing and other registration issues	6	14	6	133.3
Breach of licensing conditions	3	4	2	100
Breach of requirements of contract notes/statements of account/receipts	17	33	34	-2.9
Failure to make filing/notification	1	3	3	0
Breach of margin requirements	3	4	2	100
Marketing malpractices	0	0	1	-100
Illegal short selling of securities	0	0	0	0
Dealing malpractices	2	2	2	0
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission	102	143	93	53.8
Breach of Corporate Finance Adviser Code of Conduct	4	6	4	50
Breach of Fund Manager Code of Conduct	14	30	28	7.1
Breach of regulation of on-line trading	4	6	97	-93.8
Non-compliance with anti-money laundering guidelines	81	137	54	153.7
Breach of other rules and regulations of the Exchanges ¹	3	5	0	N/A
Internal control weaknesses	144	240	142	69
Others	43	58	30	93.3
Total	454	743	548	35.6

¹ Comprising The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

Table 2 Authorized unit trusts and mutual funds – by type

	As at 30.9.2015	As at 31.3.2015	Change (%)	As at 30.9.2014	YoY change (%)
Bond	407	394	3.3	382	6.5
Equity	1,021	1,011	1	985	3.7
Diversified	111	107	3.7	101	9.9
Money market	50	47	6.4	46	8.7
Fund of funds	102	92	10.9	88	15.9
Index	154	153	0.7	142	8.5
Guaranteed	3	3	0	7	-57.1
Hedge	3	3	0	3	0
Other specialised ¹	14	15	-6.7	15	-6.7
Sub-total	1,865	1,825	2.2	1,769	5.4
Umbrella structures	225	220	2.3	214	5.1
Number of authorized funds	2,090	2,045	2.2	1,983	5.4

¹ Includes futures and options funds, structured funds and funds that invest in financial derivative instruments.

Table 3 Authorized unit trusts and mutual funds – by origin

	As at 30.9.2015	As at 31.3.2015	Change (%)	As at 30.9.2014	YoY change (%)
Hong Kong	628	594	5.7	548	14.6
Luxembourg	1,010	1,000	1	985	2.5
Ireland	281	278	1.1	280	0.4
Guernsey	0	0	0	0	0
United Kingdom	65	64	1.6	52	25
Other Europe	0	0	0	0	0
Bermuda	5	5	0	6	-16.7
British Virgin Islands	0	0	0	0	0
Cayman Islands	92	95	-3.2	103	-10.7
Others	9	9	0	9	0
Number of authorized funds	2,090	2,045	2.2	1,983	5.4

Table 4 Takeovers activities

	Quarter ended 30.9.2015	Six months ended 30.9.2015	Six months ended 30.9.2014	YoY change (%)
Codes on Takeovers and Mergers and Share Buy-backs				
General and partial offers under Code on Takeovers and Mergers	10	21	28	-25
Privatisations	2	4	3	33.3
Whitewash waiver applications	11	29	14	107.1
Other applications under Code on Takeovers and Mergers	89	171	143	19.6
Off-market and general offer share buy-backs	1	1	1	0
Other applications under Code on Share Buy-backs	2	2	4	-50
Total	115	228	193	18.1
Executive Statements				
Sanctions imposed with parties' agreement ¹	0	0	0	0
Takeovers and Mergers Panel				
Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs	0	0	0	0
Hearings before the Panel (disciplinary and non-disciplinary)	0	0	1	-100
Statements issued by the Panel ²	1	2	1	100

¹ Pursuant to section 12.3 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs.

² Pursuant to section 16.1 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs.

Table 5 Complaints against intermediaries and market activities

	Quarter ended 30.9.2015	Six months ended 30.9.2015	Six months ended 30.9.2014	YoY change (%)
Conduct of licensees	78	162	141	14.9
Conduct of registered institutions	9	20	12	66.7
Listing-related matters and disclosure of interests	192	392	329	19.2
Market misconduct ¹	25	76	169	-55
Product disclosure	0	0	1	-100
Unlicensed activities	38	73	48	52.1
Breach of offers of investments	4	4	21	-81
Other financial activities	241	422	241	75.1
Total	587	1,149	962	19.4

¹ Includes market manipulation and insider dealing.