

Global regulatory engagement

IOSCO

Since Mr Ashley Alder, our Chief Executive officer, was appointed as Chair of the Board of the International Organization of Securities Commissions (IOSCO) in May, we have been working closely with the IOSCO Secretariat to enhance the relevance of IOSCO's work to its wider membership, clarify the intersection between IOSCO's policy work and that of the Financial Stability Board (FSB), and promote interaction between IOSCO members from growth and emerging markets and those from advanced economies. In October, we hosted and chaired an IOSCO Board meeting in Hong Kong.

As Chair of the IOSCO Board, Mr Alder co-chaired the October meeting of the Committee on Payments and Market Infrastructures - IOSCO Steering Group, which discussed central clearing counterparty resilience, recovery and resolution. Mr Alder also chairs the IOSCO Task Force on Market Conduct, which plans to issue a report setting out measures to promote proper conduct by market participants in wholesale markets.

We actively participated in the work of the IOSCO Asia-Pacific Regional Committee (APRC) and provided input to an APRC letter to the US Commodity Futures Trading Commission, highlighting the extraterritorial impact of its proposed cross-border swap rule on Asia-Pacific markets.

We worked closely with the European Commission to establish the inaugural EU-Asia Forum which took place in October. Mr Alder and other senior regulators from the two regions participated in a panel discussion on cross-border regulatory issues and EU regulations that affect Hong Kong.

We also hosted a meeting in Hong Kong of the IOSCO Committee on Enforcement and the Exchange of Information from 29 November to 1 December.

FSB

In November, Mr Alder attended the FSB plenary meeting to discuss, among other things, market liquidity, structural vulnerabilities related to asset management activities, and governance frameworks to mitigate misconduct.

We coordinated with the Government, Hong Kong Monetary Authority (HKMA), and the Office of the Commissioner of Insurance to respond to FSB's annual

monitoring exercise on shadow banking as well as to discuss the scope of the proposed peer review of Hong Kong with the FSB Secretariat. In addition, we provided input to various other surveys being undertaken by the FSB standing committees. We also provided support to the HKMA for its participation in other FSB committees.

In December, Mr Keith Lui, Executive Director of Supervision of Markets, attended a meeting of the FSB Standing Committee on Standards Implementation which discussed, among other matters, the timing and scope of the peer review of Hong Kong. Mr Lui also participated in a meeting of the FSB Regional Consultative Group for Asia which discussed vulnerabilities and financial stability issues affecting the region.

Mainland China

During the quarter, we worked closely with the China Securities Regulatory Commission (CSRC) and other regulatory authorities to launch Shenzhen-Hong Kong Stock Connect. We also held a number of meetings with the CSRC to discuss issues including cooperation on supervision of listed companies, cross-boundary market surveillance and monitoring, and enforcement cooperation. In November, we arranged a joint training session with the CSRC on market manipulation in Xi'an. Also in November, we organised a seminar with the CSRC in Shanghai for Mainland brokers and fund managers with business operations in Hong Kong.

We maintained good communication with the Mainland's regional authorities and provided analytical support to the Government to strengthen Hong Kong's cooperative relationship with Guangdong, Shenzhen, and Shanghai, among other places. We participated in the eighth Meeting of the Expert Group on Hong Kong-Guangdong Financial Co-operation in Hong Kong to discuss financial cooperation initiatives.

Other collaboration

In December, we signed a Memorandum of Understanding (MoU) with the Swiss Financial Market Supervisory Authority concerning Switzerland-Hong Kong Mutual Recognition of Funds¹. At the eighth MoU meeting with the Taiwan Financial Services Commission in November, we discussed Fintech development, anti-money laundering and green finance.

¹ See Investment products on page 6 for details.