

Activity Data

Table 1 Breaches noted during on-site inspections

Nature of breaches	Quarter ended 31.12.2016	Nine months ended 31.12.2016	Nine months ended 31.12.2015	YoY change (%)
Failure to comply with Securities and Futures (Financial Resources) Rules	2	9	16	-43.8
Failure to safekeep client securities	19	42	34	23.5
Failure to maintain proper books and records	11	29	20	45
Failure to safekeep client money	17	47	38	23.7
Unlicensed dealing and other registration issues	3	12	23	-47.8
Breach of licensing conditions	3	4	7	-42.9
Breach of requirements of contract notes/statements of account/receipts	29	64	59	8.5
Failure to make filing/notification	2	5	5	0
Breach of margin requirements	3	4	5	-20
Marketing malpractices	1	1	0	N/A
Illegal short selling of securities	0	0	1	-100
Dealing malpractices	1	7	2	250
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission ¹	120	360	268	34.3
Breach of Corporate Finance Adviser Code of Conduct	0	16	9	77.8
Breach of Fund Manager Code of Conduct	17	52	45	15.6
Breach of regulation of on-line trading	1	7	13	-46.2
Non-compliance with anti-money laundering guidelines	50	168	174	-3.4
Breach of other rules and regulations of the Exchanges ²	4	12	9	33.3
Breach of other rules and regulations of the Mandatory Provident Fund Schemes Authority	0	0	0	0
Internal control weaknesses ³	202	461	454	1.5
Others	19	59	114	-48.2
Total	504	1,359	1,296	4.9

¹ Commonly related to risk management, record keeping, client agreements, safeguarding of client assets and management responsibilities.

² Comprising The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

³ Comprising deficiencies in management review and supervision, operational controls over the handling of client accounts, segregation of duties, information management, adequacy of audit trail for internal control purposes, among other weaknesses.

Table 2 Authorized unit trusts and mutual funds – by type and number

	Number as at 31.12.2016	Number as at 31.3.2016	Change (%)	Number as at 31.12.2015	YoY change (%)
Bond	425	404	5.2	402	5.7
Equity	1,028	1,031	-0.3	1,024	0.4
Diversified	161	140	15	128	25.8
Money market	44	46	-4.3	50	-12
Fund of funds	113	102	10.8	102	10.8
Index ¹	170	161	5.6	156	9
Guaranteed	3	3	0	3	0
Hedge	2	3	-33.3	3	-33.3
Other specialised ²	10	14	-28.6	14	-28.6
Sub-total	1,956	1,904	2.7	1,882	3.9
Umbrella structures	240	229	4.8	228	5.3
Total	2,196	2,133	3	2,110	4.1

¹ Including leveraged and inverse products.

² Including futures and options funds, structured funds and funds that invest in financial derivative instruments.

Table 3 Authorized unit trusts and mutual funds – by type and assets under management

	Total NAV (US\$ million) as at 31.12.2016 ¹	Total NAV (US\$ million) as at 31.3.2016	Change (%)	Total NAV (US\$ million) as at 31.12.2015	YoY change (%)
Bond	438,219	423,758 ²	3.4	414,296	5.8
Equity	599,102	608,782	-1.6	616,477	-2.8
Diversified	120,538	117,242	2.8	116,908	3.1
Money market	20,076	21,315	-5.8	20,267	-0.9
Fund of funds	18,530	15,651	18.4	15,829	17.1
Index ³	86,165	87,530	-1.6	78,249	10.1
Guaranteed	64	69	-7.2	72	-11.1
Hedge	29	110	-73.6	85	-65.9
Other specialised ⁴	1,379	1,576	-12.5	1,531	-9.9
Total	1,284,103⁵	1,276,033²	0.6	1,263,715⁵	1.6

¹ Beginning from 30 June 2016, total net asset value (NAV) is presented in quarterly reports. For comparison purposes, total NAV figures as of 31 March 2016 and 31 December 2015 are also presented.

² This figure differs from that disclosed in the *Annual Report 2015-16* due to revised figures reported by fund managers after the report's issuance.

³ Including leveraged and inverse products.

⁴ Including futures and options funds, structured funds and funds that invest in financial derivative instruments.

⁵ Figure does not add up to total due to rounding.

Table 4 Authorized unit trusts and mutual funds – by origin and number

	Number as at 31.12.2016	Number as at 31.3.2016	Change (%)	Number as at 31.12.2015	YoY change (%)
Hong Kong	705	656	7.5	636	10.8
Luxembourg	1,008	1,004	0.4	1,010	-0.2
Ireland	264	277	-4.7	280	-5.7
United Kingdom	69	65	6.2	65	6.2
Mainland China	48	27	77.8	0	N/A
Other Europe	3	0	N/A	0	N/A
Bermuda	5	5	0	5	0
Cayman Islands	86	90	-4.4	92	-6.5
Others	8	9	-11.1	22	-63.6
Total	2,196	2,133	3	2,110	4.1

Table 5 Authorized unit trusts and mutual funds – by origin and assets under management

	Total NAV (US\$ million) as at 31.12.2016 ¹	Total NAV (US\$ million) as at 31.3.2016	Change (%)	Total NAV (US\$ million) as at 31.12.2015	YoY change (%)
Hong Kong	122,667	118,172 ²	3.8	114,851	6.8
Luxembourg	850,708	860,620	-1.2	865,780	-1.7
Ireland	155,488	150,267	3.5	150,644	3.2
United Kingdom	90,499	78,830	14.8	80,035	13.1
Mainland China	15,406	10,880	41.6	5,845	163.6
Other Europe	87	0	N/A	0	N/A
Bermuda	230	292	-21.2	286	-19.6
Cayman Islands	11,226	15,253	-26.4	14,984	-25.1
Others	37,793	41,719	-9.4	31,290	20.8
Total	1,284,103³	1,276,033²	0.6	1,263,715	1.6

¹ Beginning from 30 June 2016, total NAV is presented in quarterly reports. For comparison purposes, total NAV figures as of 31 March 2016 and 31 December 2015 are also presented.

² This figure differs from that disclosed in the *Annual Report 2015-16* due to revised figures reported by fund managers after the report's issuance.

³ Figure does not add up to total due to rounding.

Table 6 Takeovers activities

	Quarter ended 31.12.2016	Nine months ended 31.12.2016	Nine months ended 31.12.2015	YoY change (%)
Codes on Takeovers and Mergers and Share Buy-backs				
General and partial offers under Code on Takeovers and Mergers	27	56	35	60
Privatisations	2	10	6	66.7
Whitewash waiver applications	10	26	39	-33.3
Other applications under Code on Takeovers and Mergers ¹	93	260	249	4.4
Off-market and general offer share buy-backs	1	2	1	100
Other applications under Code on Share Buy-backs ¹	2	2	3	-33.3
Total	135	356	333	6.9
Executive Statements				
Sanctions imposed with parties' agreement ²	2	4	0	N/A
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	2	2	0
Statements issued by the Panel ³	1	2	4	-50

¹ Including stand-alone applications and those made during the course of a Code-related transaction.

² Pursuant to section 12.3 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs.

³ Pursuant to section 16.1 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs.

Table 7 Complaints against intermediaries and market activities

	Quarter ended 31.12.2016	Nine months ended 31.12.2016	Nine months ended 31.12.2015	YoY change (%)
Conduct of licensees	100	278	239	16.3
Conduct of registered institutions	7	32	22	45.5
Listing-related matters and disclosure of interests	242	571	504	13.3
Market misconduct ¹	56	154	138	11.6
Product disclosure	2	7	0	N/A
Unlicensed activities	34	92	99	-7.1
Breach of offers of investments	57	79	10	690
Other financial activities ²	170	495	565	-12.4
Total	668	1,708	1,577	8.3

¹ Primarily, alleged market manipulation and insider dealing.

² Comprising boiler rooms, insurance and bullion activities, identity frauds, etc.