

# Activity Data

Table 1 Breaches noted during on-site inspections

Nature of breaches	Quarter ended 30.6.2017	Quarter ended 31.3.2017	Change (%)	Quarter ended 30.6.2016	YoY change (%)
Failure to comply with Securities and Futures (Financial Resources) Rules	5	4	25	4	25
Failure to safekeep client securities	10	16	-37.5	7	42.9
Failure to maintain proper books and records	8	7	0	10	-30
Failure to safekeep client money	15	15	6.7	14	14.3
Unlicensed dealing and other registration issues	3	1	200	6	-50
Breach of licensing conditions	2	5	-60	1	100
Breach of requirements of contract notes/statements of account/receipts	19	21	-9.5	19	0
Failure to make filing/notification	1	3	-66.7	0	N/A
Breach of margin requirements	2	2	0	0	N/A
Marketing malpractices	0	0	0	0	0
Illegal short selling of securities	0	1	-100	0	0
Dealing malpractices	0	4	-100	2	-100
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission <sup>1</sup>	86	81	7.4	126	-31
Breach of Corporate Finance Adviser Code of Conduct	3	2	50	11	-72.7
Breach of Fund Manager Code of Conduct	23	30	-23.3	22	4.5
Breach of regulation of on-line trading	3	1	200	2	50
Non-compliance with anti-money laundering guidelines	37	33	12.1	55	-32.7
Breach of other rules and regulations of the Exchanges <sup>2</sup>	4	2	100	7	-42.9
Breach of other rules and regulations of the Mandatory Provident Fund Schemes Authority	0	0	0	0	0
Internal control weaknesses <sup>3</sup>	132	137	-4.4	117	12
Others	18	54	-66.7	17	5.9
<b>Total</b>	<b>371</b>	<b>419</b>	<b>-11.5</b>	<b>420</b>	<b>-11.7</b>

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

<sup>2</sup> The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

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

## Activity Data

Table 2 Authorised unit trusts and mutual funds – by type

	Number as at 30.6.2017	Number as at 31.3.2017	Change (%)	Number as at 30.6.2016	YoY change (%)
Bond	431	430	0.2	407	5.9
Equity	1,017	1,018	-0.1	1,036	-1.8
Diversified	164	162	1.2	152	7.9
Money market	44	44	0	45	-2.2
Fund of funds	113	113	0	106	6.6
Index <sup>1</sup>	181	182	-0.5	174	4
Guaranteed	4	3	33.3	3	33.3
Hedge	2	2	0	2	0
Other specialised <sup>2</sup>	7	7	0	13	-46.2
Sub-total	1,963	1,961	0.1	1,938	1.3
Umbrella structures	241	242	-0.4	235	2.6
<b>Total</b>	<b>2,204</b>	<b>2,203</b>	<b>0</b>	<b>2,173</b>	<b>1.4</b>

<sup>1</sup> Including leveraged and inverse products.

<sup>2</sup> Including futures and options funds, structured funds and funds that invest in financial derivative instruments.

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

	Total NAV (US\$ million) as at 30.6.2017	Total NAV (US\$ million) as at 31.3.2017	Change (%)	Total NAV (US\$ million) as at 30.6.2016	YoY change (%)
Bond	511,743	465,267	10	434,170 <sup>1</sup>	17.9
Equity	684,944	638,848	7.2	597,550	14.6
Diversified	148,550	137,454	8.1	122,505 <sup>1</sup>	21.3
Money market	20,802	21,014	-1	19,898	4.5
Fund of funds	21,272	19,865	7.1	15,774	34.9
Index <sup>2</sup>	96,531	92,069	4.8	96,866	-0.3
Guaranteed	134	127	5.7	68	97.4
Hedge	27	28	-4	49	-45.2
Other specialised <sup>3</sup>	1,170	1,288	-9.2	1,474	-20.6
<b>Total</b>	<b>1,485,173</b>	<b>1,375,960</b>	<b>7.9</b>	<b>1,288,354<sup>1</sup></b>	<b>15.3</b>

<sup>1</sup> These figures differ from those disclosed in the Quarterly Report April - June 2016 due to revised figures reported after that report's issuance.

<sup>2</sup> Including leveraged and inverse products.

<sup>3</sup> Including futures and options funds, structured funds and funds that invest in financial derivative instruments.

## Activity Data

**Table 4** Authorised unit trusts and mutual funds – by origin

	Number as at 30.6.2017	Number as at 31.3.2017	Change (%)	Number as at 30.6.2016	YoY change (%)
Hong Kong	745	735	1.4	686 <sup>1</sup>	8.6
Luxembourg	1,019	1,009	1	1,010	0.9
Ireland	252	256	-1.6	270	-6.7
United Kingdom	63	64	-1.6	69	-8.7
Mainland China	49	49	0	37	32.4
Other Europe	3	3 <sup>2</sup>	0	3	0
Bermuda	5	5	0	5	0
Cayman Islands	60	74	-18.9	84 <sup>1</sup>	-28.6
Others	8	8 <sup>2</sup>	0	9	-11.1
<b>Total</b>	<b>2,204</b>	<b>2,203</b>	<b>0</b>	<b>2,173</b>	<b>1.4</b>

<sup>1</sup> These figures differ from those disclosed in the Quarterly Report April - June 2016 due to re-categorisation of funds' places of origin after that report's issuance.

<sup>2</sup> These figures differ from those disclosed in the Annual Report 2016-17 due to different categorisation of funds' places of origin.

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

	Total NAV (US\$ million) as at 30.6.2017	Total NAV (US\$ million) as at 31.3.2017	Change (%)	Total NAV (US\$ million) as at 30.6.2016	YoY change (%)
Hong Kong	140,451	131,605	6.7	123,429 <sup>1</sup>	13.8
Luxembourg	980,207	910,351	7.7	849,134	15.4
Ireland	193,917	172,383	12.5	149,508	29.7
United Kingdom	98,379	90,987	8.1	88,756	10.8
Mainland China	18,187	17,056	6.6	15,441 <sup>2</sup>	17.8
Other Europe	108	94 <sup>3</sup>	14.9	60	80
Bermuda	204	217	-5.9	264	-22.7
Cayman Islands	11,184	11,546	-3.1	11,439 <sup>1</sup>	-2.2
Others	42,538	41,721 <sup>3</sup>	2	50,323	-15.5
<b>Total</b>	<b>1,485,173</b>	<b>1,375,960</b>	<b>7.9</b>	<b>1,288,354<sup>4</sup></b>	<b>15.3</b>

<sup>1</sup> These figures differ from those disclosed in the Quarterly Report April - June 2016 due to re-categorisation of funds' places of origin after that report's issuance.

<sup>2</sup> This figure differs from that disclosed in the Quarterly Report April - June 2016 due to revised figures reported after that report's issuance.

<sup>3</sup> These figures differ from those disclosed in the Annual Report 2016-17 due to different categorisation of funds' places of origin.

<sup>4</sup> See footnotes 1 and 2.

## Activity Data

**Table 6 Takeovers activities**

	Quarter ended 30.6.2017	Quarter ended 31.3.2017	Change (%)	Quarter ended 30.6.2016	YoY change (%)
<b>Codes on Takeovers and Mergers and Share Buy-backs</b>					
General and partial offers under Code on Takeovers and Mergers	21	17	23.5	12	75
Privatisations	4	3	33.3	4	0
Whitewash waiver applications	11	11	0	11	0
Other applications under Code on Takeovers and Mergers <sup>1</sup>	96	105	-8.6	85	12.9
Off-market and general offer share buy-backs	0	2	-100	1	-100
Other applications under Code on Share Buy-backs <sup>1</sup>	0	0	0	0	0
<b>Total</b>	<b>132</b>	<b>138</b>	<b>-4.3</b>	<b>113</b>	<b>16.8</b>
<b>Executive Statements</b>					
Sanctions imposed with parties' agreement <sup>2</sup>	0	0	0	2	-100
<b>Takeovers and Mergers Panel</b>					
Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs	0	0	0	0	0
Hearings before the Panel (disciplinary and non-disciplinary)	1	0	N/A	1	0
Statements issued by the Panel <sup>3</sup>	1	0	N/A	1	0

<sup>1</sup> Including stand-alone applications and those made during the course of a code-related transaction.

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

<sup>3</sup> 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 30.6.2017	Quarter ended 31.3.2017	Change (%)	Quarter ended 30.6.2016	YoY change (%)
Conduct of licensees	74	133	-44.4	99	-25.3
Conduct of registered institutions	6	7	-14.3	14	-57.1
Listed companies and disclosure of interests	204	168	21.4	155	31.6
Market misconduct <sup>1</sup>	53	67	-20.9	52	1.9
Product disclosure	1	1	0	3	-66.7
Unlicensed activities	27	24	12.5	34	-20.6
Breach of offers of investments	17	62	-72.6	6	183.3
Boiler rooms and suspicious websites	86	107	-19.6	92	-6.5
Scams and frauds <sup>2</sup>	45	28	60.7	39	15.4
Other financial activities <sup>3</sup>	67	17	294.1	54	24.1
<b>Total</b>	<b>580</b>	<b>614</b>	<b>-5.5</b>	<b>548</b>	<b>5.8</b>

<sup>1</sup> Primarily, alleged market manipulation and insider dealing.

<sup>2</sup> Such as identity fraud and impersonation.

<sup>3</sup> For example, bullion trading, banking complaints.