

Activity Data

Table 1 Breaches noted during on-site inspections

Nature of breaches	Quarter ended 31.12.2017	Nine months ended 31.12.2017	Nine months ended 31.12.2016 ¹	YoY change (%)
Failure to comply with Securities and Futures (Financial Resources) Rules	3	8	9	-11.1
Failure to safekeep client securities	13	34	42	-19
Failure to maintain proper books and records	7	25	29	-13.8
Failure to safekeep client money	14	46	47	-2.1
Unlicensed dealing and other registration issues	4	15	12	25
Breach of licensing conditions	2	7	4	75
Breach of requirements of contract notes/statements of account/receipts	15	47	64	-26.6
Failure to make filing/notification	0	1	5	-80
Breach of margin requirements	1	4	4	0
Marketing malpractices	0	0	1	-100
Illegal short selling of securities	0	0	0	0
Dealing malpractices	2	2	7	-71.4
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission ²	79	252	359	-29.8
Breach of Corporate Finance Adviser Code of Conduct	0	5	16	-68.8
Breach of Fund Manager Code of Conduct	23	73	52	40.4
Breach of regulation of online trading	1	4	7	-42.9
Non-compliance with anti-money laundering guidelines	56	128	168	-23.8
Breach of other rules and regulations of the Exchanges ³	3	9	12	-25
Breach of other rules and regulations of the Mandatory Provident Fund Schemes Authority	0	0	0	0
Internal control weaknesses ⁴	127	374	461	-18.9
Others	29	61	61	0
Total	379	1,095	1,360	-19.5

¹ Adjustments have been made for the period.

² Commonly related to risk management, record keeping, client agreements, safeguarding of client assets and management responsibilities.

³ The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

⁴ 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.

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Table 2 Authorised unit trusts and mutual funds – by type

	Number as at 31.12.2017	Number as at 31.3.2017	Change (%)	Number as at 31.12.2016	YoY change (%)
Bond	441	430	2.6	425	3.8
Equity	1,029	1,018	1.1	1,028	0.1
Diversified	168	162	3.7	161	4.3
Money market	45	44	2.3	44	2.3
Fund of funds	117	113	3.5	113	3.5
Index ¹	155	182	-14.8	170	-8.8
Guaranteed	4	3	33.3	3	33.3
Hedge	1	2	-50	2	-50
Other specialised ²	5	7	-28.6	10	-50
Sub-total	1,965	1,961	0.2	1,956	0.5
Umbrella structures	240	242	-0.8	240	0
Total	2,205	2,203	0.1	2,196	0.4

¹ Including leveraged and inverse products.

² Including futures and options funds, structured funds and funds which 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 31.12.2017	Total NAV (US\$ million) as at 31.3.2017	Change (%)	Total NAV (US\$ million) as at 31.12.2016	YoY change (%)
Bond	573,417	466,096 ¹	23	438,219	30.9
Equity	772,060	638,848	20.9	599,102	28.9
Diversified	171,133	137,454	24.5	120,538	42
Money market	20,920	21,014	-0.4	20,076	4.2
Fund of funds	22,850	19,865	15	18,530	23.3
Index ²	99,742	92,069	8.3	86,165	15.8
Guaranteed	116	127	-8.7	64	81.3
Hedge	26	28	-7.1	29	-10.3
Other specialised ³	1,060	1,288	-17.7	1,380 ⁴	-23.2
Total	1,661,324	1,376,789¹	20.7	1,284,104^{4, 5}	29.4

¹ These figures differ from those disclosed in the *Annual Report 2016-17* and the *Quarterly Report April-June 2017* due to revised figures reported after those reports' issuance.

² Including leveraged and inverse products.

³ Including futures and options funds, structured funds and funds which invest in financial derivative instruments.

⁴ These figures differ from those disclosed in the *Quarterly Report October-December 2016* due to revised figures reported after that report's issuance.

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

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Table 4 Authorised unit trusts and mutual funds – by origin

	Number as at 31.12.2017	Number as at 31.3.2017	Change (%)	Number as at 31.12.2016	YoY change (%)
Hong Kong	755	735	2.7	707 ¹	6.8
Luxembourg	1,023	1,009	1.4	1,008	1.5
Ireland	247	256	-3.5	264	-6.4
United Kingdom	69	64	7.8	69	0
Mainland China	50	49	2	48	N/A
Other Europe	3	3 ²	0	3	N/A
Bermuda	3	5	-40	5	-40
Cayman Islands	47	74	-36.5	84 ¹	-44
Others	8	8 ²	0	8	0
Total	2,205	2,203	0.1	2,196	0.4

¹ These figures differ from those disclosed in the *Quarterly Report October-December 2016* due to the re-categorisation of funds' places of origin after that report's issuance.

² 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 31.12.2017	Total NAV (US\$ million) as at 31.3.2017	Change (%)	Total NAV (US\$ million) as at 31.12.2016	YoY change (%)
Hong Kong	159,247	131,605	21	122,732 ¹	29.8
Luxembourg	1,085,333	910,351	19.2	850,708	28
Ireland	235,916	173,212 ²	36.2	155,488	51.7
United Kingdom	108,609	90,987	19.4	90,499	20
Mainland China	20,438	17,056	19.8	15,406	32.7
Other Europe	122	94 ³	29.8	87	40.2
Bermuda	194	217	-10.6	230	-15.7
Cayman Islands	8,507	11,546	-26.3	11,161 ⁴	-24
Others	42,958	41,721 ³	3	37,793	13.7
Total	1,661,324	1,376,789	20.7	1,284,104⁵	29.4

¹ This figure differs from that disclosed in the *Quarterly Report October-December 2016* due to the re-categorisation of funds' places of origin after that report's issuance.

² These figures differ from those disclosed in the *Annual Report 2016-17* and the *Quarterly Report April-June 2017* due to revised figures reported after those reports' issuance.

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

⁴ This figure differs from that disclosed in the *Quarterly Report October-December 2016* due to a revised figure reported and the re-categorisation of funds' places of origin after that report's issuance.

⁵ See footnotes 1 and 4.

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Table 6 Takeovers activities

	Quarter ended 31.12.2017	Nine months ended 31.12.2017	Nine months ended 31.12.2016	YoY change (%)
Codes on Takeovers and Mergers and Share Buy-backs				
General and partial offers under Code on Takeovers and Mergers	17	49	56	-12.5
Privatisations	1	10	10	0
Whitewash waiver applications	12	35	26	34.6
Other applications under Code on Takeovers and Mergers ¹	68	244	260	-6.2
Off-market and general offer share buy-backs	1	1	2	-50
Other applications under Code on Share Buy-backs ¹	0	0	2	-100
Total	99	339	356	-4.8
Executive Statements				
Sanctions imposed with parties' agreement ²	1	4	4	0
Takeovers and Mergers Panel				
Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs	1	1	0	0
Hearings before the Panel (disciplinary and non-disciplinary)	0	1	2	-50
Statements issued by the Panel ³	0	1	2	-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 31.12.2017	Nine months ended 31.12.2017	Nine months ended 31.12.2016	YoY change (%)
Conduct of licensees	85	248	278	-10.8
Conduct of registered institutions	6	17	32	-46.9
Listed companies and disclosure of interests	197	593	571	3.9
Market misconduct ¹	105	227	154	47.4
Product disclosure	4	7	7	0
Unlicensed activities	44	102	92	10.9
Breach of offers of investments	8	43	79	-45.6
Boiler rooms and suspicious websites	69	231	223	3.6
Scams and frauds ²	37	111	104	6.7
Other financial activities ³	112	260	168	54.8
Total	667	1,839	1,708	7.7

¹ Primarily, alleged market manipulation and insider dealing.

² Such as identity fraud and impersonation.

³ For example, bullion trading and banking services.