

Stakeholders

We proactively engage with a broad range of stakeholders to promote a wider understanding of our work and provide up-to-date regulatory information.

Industry

We maintain an open and productive dialogue with industry associations, professional bodies and other market participants. We organise regular meetings and briefings and from time to time contribute articles to industry association newsletters to keep market participants informed about regulatory developments.

The annual SFC Compliance Forum¹ was held in October 2020 and attracted 1,200 industry participants. We provided training to an industry association in the same month to share key observations from our cybersecurity thematic review and provide additional guidance for securities brokers.

We co-organised Hong Kong FinTech Week, where our senior management discussed our regulatory approach to virtual assets, in November 2020.

In November and December 2020, we organised three webinars to introduce new licensing-related features on WINGS², our online submission platform, with over 1,000 participants and two anti-money laundering webinars for 1,400 management and compliance personnel from licensed corporations³.

During the year, our senior executives took part in 60 speaking engagements on a wide range of topics within our remit, including listing regulation, asset management and climate finance. We supported 10 seminars or events organised by industry bodies.

Our Chief Executive Officer Mr Ashley Alder took part in a panel discussion on the impact of COVID-19 organised by the Asia Securities Industry & Financial Markets Association (ASIFMA) in May 2020 and presented a keynote address at the 7th EU-Asia Financial Services Dialogue event co-hosted by ASIFMA in March 2021.

When proposing rules under the Securities and Futures Ordinance, we consistently exceed statutory requirements for public consultation. We consult the public on proposed non-statutory codes and guidelines, as well as amendments to them. We issue consultation papers to detail our proposals and hold both formal and informal discussions to hear stakeholders' views as part of our consultation process.

After completing our analysis, we issue a consultation conclusions paper summarising the main comments received and setting out our conclusions. A total of eight consultation papers and six consultation conclusions were published in the year.



1 See Intermediaries on pages 46-53.

2 Web-based INteGrated Service.

3 See Intermediaries for more details.

Communicating on social media

Social media is now a big part of everyday life for many people in Hong Kong. In September 2020, we launched our official Facebook page as an additional platform to communicate with the public.

The page features the latest regulatory developments and updates, including highlights of publications and executive speeches and warnings to investors about market risks and unlicensed activity. We also share investor alerts and other content from the Investor and Financial Education Council, an SFC subsidiary.

To help us reach the local audience, our Facebook posts are in Chinese accompanied by eye-catching visuals. The page allows for instant and direct engagement, such as when we livestreamed our joint press conference with the Police in March 2021^a.

We also maintain an official SFC LinkedIn page featuring regular updates in English to keep the financial industry and other professionals informed of the latest developments of interest to them.



^a See the sidebar on ramp and dump schemes in Enforcement on pages 67-77.

Our publications aim to update the industry on our regulatory work, topical issues and other developments. This year, we issued 12 thematic publications, including newsletters, market reviews and surveys.

To help the industry better understand our regulatory requirements, we issue circulars and frequently-asked questions which we post on the SFC website. During the year, we published 65 circulars on various topics, including SFC-authorized real estate investment trusts, over-the-counter derivatives reporting, and the findings of our inspections of firms' anti-money laundering and counter-financing of terrorism measures.

We respond verbally or in writing to enquiries from the industry on topics related to our rules and regulations, including licensing, listings and takeovers matters, product authorisation and short position reporting. Designated e-mail addresses are provided to help us handle enquiries on specific topics more efficiently. The SFC Fintech Contact Point promotes communication

with businesses involved in the development and application of financial technology in the conduct of regulated activities in Hong Kong. We received 77 Fintech-related enquiries during the year.

Government

By attending Legislative Council (LegCo) meetings, including meetings of the Panel on Financial Affairs and relevant Bills Committees, we provide legislators with details of our policy initiatives, explain the rationale behind our work and answer questions. We also respond to enquiries and complaints referred to us or raised by LegCo members and other government agencies.

In addition, we maintain close liaison with the Financial Services and the Treasury Bureau and provide updates on our regulatory initiatives through regular meetings and reports. We provide assistance and information to other government bureaux and departments on various issues.

Stakeholders

Regulatory counterparts

We maintain close contact with local, Mainland and overseas regulatory counterparts. During the year, we signed five memoranda of understanding (MoU) with other authorities and held 49 MoU meetings.

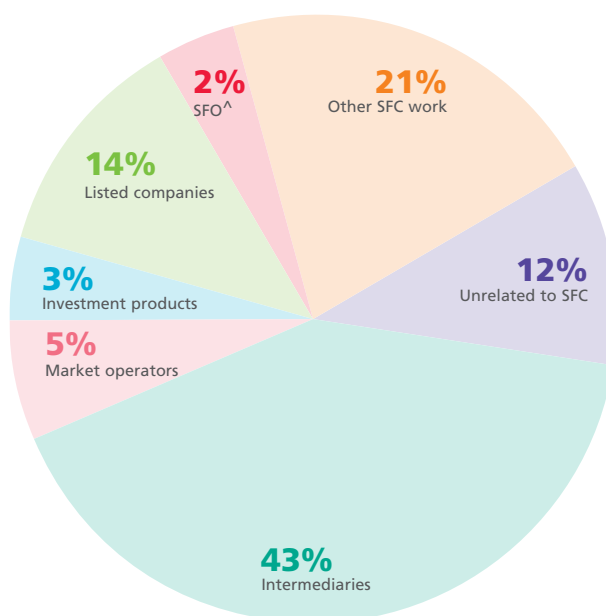
We are active in international regulatory cooperation and participate in both the International Organization of Securities Commissions and the Financial Stability Board⁴.

The public

We address public concerns and enquiries regarding the securities and futures markets. This year, we received 6,969 general enquiries by phone or in writing. We handled 6,384 complaints during the year.

Complaints against intermediaries and market activities are first reviewed by our Complaints Control Committee, which comprises senior executives from across the organisation, and are allocated to responsible divisions for assessment where appropriate.

General enquiries



^ Securities and Futures Ordinance.

Publications and other communications

	2020/21	2019/20	2018/19
Press releases	132	123	128
Policy statements and announcements	8	8	3
Consultation papers	8	4	5
Consultation conclusions	6	4	11
Industry-related publications	12	15	15
Codes and guidelines ^a	6	5	14
Circulars to industry	65	73	90
Corporate website average daily page views ^b	33,834	42,816	64,947
General enquiries	6,969	6,037	6,709

a Includes updates to previous versions.

b The average number of webpages browsed per day during the reporting period.

⁴ See Regulatory engagement on pages 78-81.

Our senior executives gave media interviews to foster public understanding of Hong Kong's financial regulatory framework and our role in it. Mr Alder participated in a virtual dialogue with Bloomberg in June 2020 to share his views on the regulatory response to COVID-19. We issued 132 press releases to inform the public of the latest regulatory actions and other SFC news.

We also published eight policy statements and announcements explaining our regulatory approach to specific issues.

We released our *Annual Report 2019-20* and quarterly reports to help stakeholders understand our work. Our reporting efforts were recognised with a Gold Award in the Hong Kong Management Association's Best Annual Reports Awards 2020 and a Gold Award, public sector category, in the Hong Kong Institute of Certified Public Accountants' Best Corporate Governance Awards 2020.



Mr Jimmy Tong, Director, Enforcement, at a Radio Television Hong Kong interview

On our corporate website, which we redesigned during the year, the public can easily obtain up-to-date information about our work and regulations.

Complaints against intermediaries and market activities

	2020/21	2019/20	2018/19
Conduct of licensees	802	583	453
Conduct of registered institutions	20	27	16
Listing-related matters and disclosure of interests	2,856	2,065	3,485
Market misconduct ^a	922	478	364
Product disclosure	85	14	8
Unlicensed activities	108	176	164
Breach of offers of investments	142	98	30
Boiler rooms and suspicious websites	600	486	378
Scams and frauds ^b	554	276	285
Other financial activities not regulated by SFC ^c	295	288	851
Total	6,384	4,491	6,034

a Primarily, alleged market manipulation and insider dealing.

b Such as identity fraud and impersonation.

c For example, bullion trading and banking services.