

Breakdown of SFC activity data

Table 1 Takeovers activities

	2020/21	2019/20	2018/19
Codes on Takeovers and Mergers and Share Buy-backs			
General and partial offers under Code on Takeovers and Mergers	38	41	55
Privatisations	31	15	6
Whitewash waiver applications	33	13	21
Other applications under Code on Takeovers and Mergers ¹	361	281	275
Off-market and general offer share buy-backs	5	7	9
Other applications under Code on Share Buy-backs ¹	1	2	7
Total	469	359	373
Executive Statements			
Sanctions imposed with parties' agreement ²	4	3	2
Takeovers and Mergers Panel			
Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs	0	0	1
Hearings before the Panel (disciplinary and non-disciplinary)	0	2	0
Statements issued by the Panel ³	0	2	0

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.

Breakdown of SFC activity data

Table 2 Breaches noted during on-site inspections

	2020/21	2019/20	2018/19
Failure to comply with Securities and Futures (Financial Resources) Rules	4	9	9
Failure to safekeep client securities	28	31	32
Failure to maintain proper books and records	20	19	13
Failure to safekeep client money	35	42	28
Unlicensed dealing and other registration issues	9	14	17
Breach of licensing conditions	1	3	5
Breach of requirements of contract notes/statements of account/receipts	28	33	31
Failure to make filing/notification	3	5	1
Breach of margin requirements	3	5	8
Dealing malpractices	4	5	3
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission ¹	262	273	275
Breach of Corporate Finance Adviser Code of Conduct	6	7	8
Breach of Fund Manager Code of Conduct	142	79	67
Breach of regulation of online trading	3	7	3
Non-compliance with anti-money laundering guidelines	208	331	201
Breach of other rules and regulations of the Exchanges ²	3	11	12
Internal control weaknesses ³	515	451	443
Others	76	164	80
Total	1,350	1,489	1,236

1 Commonly related to risk management, client agreements, safeguarding of client assets and information for or about clients.

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

3 Comprised 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 3 Hong Kong domiciled authorised funds

By type	As at 31.3.2021		As at 31.3.2020	
	Number	Total NAV (US\$ million)	Number	Total NAV (US\$ million)
Bond	162 (23.5%)	39,004 (20.4%)	136 (21.9%)	28,245 (20.9%)
Equity	193 (28.1%)	61,839 (32.4%)	185 (29.8%)	39,238 (29.1%)
Mixed ¹	71 (10.3%)	18,881 (9.9%)	61 (9.8%)	14,629 (10.8%)
Money market	33 (4.8%)	8,424 (4.4%)	28 (4.5%)	7,331 (5.4%)
Fund of funds ²	86 (12.5%)	16,982 (8.9%)	78 (12.6%)	13,166 (9.8%)
Index ³	142 (20.6%)	45,727 (24%)	129 (20.8%)	32,168 (23.9%)
Guaranteed	1 (0.1%)	52 (0%)	3 (0.5%)	59 (0%)
Sub-total ²	688 (100%) ⁴	190,909 (100%)	620 (100%) ⁴	134,835 ⁴ (100%) ⁴
Umbrella structures	147		142	
Total	835		762	

Note: Unit trusts and mutual funds authorised under the Code on Unit Trusts and Mutual Funds.

1 Presented as "Diversified" previously.

2 Beginning with the quarter ended 31 December 2020, the NAV of feeder funds whose master funds are authorised by the SFC has been excluded from the total NAV in the "Fund of funds" category to better reflect the total assets under management. For comparison purposes, similar adjustments have been made to the total NAV figures as at 31 March 2020.

3 Including exchange-traded funds and leveraged and inverse products.

4 Figures do not add up to total due to rounding.

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Table 4 Non-Hong Kong domiciled authorised funds

a) By origin	As at 31.3.2021				As at 31.3.2020			
	Umbrella funds	Sub-funds	Single funds	Total	Total NAV (US\$ million)	Total	Total NAV (US\$ million)	
Luxembourg	47	987	1	1,035 (74.9%)	1,399,343 (76%)	1,032 (75.2%)	884,452 ¹ (72.1%)	
Ireland ²	26	210	2	238 (17.2%)	275,782 (15%)	222 (16.2%)	204,098 (16.6%)	
United Kingdom	3	9	18	30 (2.2%)	75,015 (4.1%)	37 (2.7%)	60,602 (4.9%)	
Mainland China	2	2	47	51 (3.7%)	25,234 (1.4%)	50 (3.6%)	18,496 (1.5%)	
Bermuda	-	-	1	1 (0.1%)	128 (0%)	1 (0.1%)	142 (0%)	
Cayman Islands ²	3	15	4	22 (1.6%)	4,358 (0.2%)	26 (1.9%)	4,685 (0.4%)	
Others	-	-	5	5 (0.4%)	61,049 (3.3%)	5 (0.4%)	54,638 (4.5%)	
Total²	81	1,223	78	1,382 (100%)³	1,840,909 (100%)	1,373 (100%)³	1,227,114^{1,3} (100%)	

1 These figures differ from those disclosed in the *Annual Report 2019-20* due to a revised figure reported after the report was published.

2 Beginning with the quarter ended 31 December 2020, the NAV of feeder funds whose master funds are authorised by the SFC has been excluded from the total NAV in the "Fund of funds" category to better reflect the total assets under management. For comparison purposes, similar adjustments have been made to the total NAV figures as at 31 March 2020.

3 Figures do not add up to total due to rounding.

b) By type	As at 31.3.2021		As at 31.3.2020	
	Number	Total NAV (US\$ million)	Number	Total NAV (US\$ million)
Bond	345 (26.5%)	609,557 (33.1%)	329 (25.4%)	469,281 (38.2%)
Equity	746 (57.3%)	941,176 (51.1%)	760 (58.7%)	532,133 ⁴ (43.4%)
Mixed ¹	128 (9.8%)	161,923 (8.8%)	123 (9.5%)	123,753 (10.1%)
Money market	16 (1.2%)	11,375 (0.6%)	15 (1.2%)	13,877 (1.1%)
Fund of funds ²	23 (1.8%)	1,212 (0.1%)	26 (2%)	891 (0.1%)
Index ³	42 (3.2%)	115,538 (6.3%)	41 (3.2%)	87,036 (7.1%)
Hedge	1 (0.1%)	128 (0%)	1 (0.1%)	142 (0%)
Sub-total ²	1,301 (100%) ⁵	1,840,909 (100%)	1,295 (100%) ⁵	1,227,114 ^{4,5} (100%)
Umbrella structures	81		78	
Total²	1,382		1,373	

Note: Unit trusts and mutual funds authorised under the Code on Unit Trusts and Mutual Funds.

1 Presented as "Diversified" previously.

2 Beginning with the quarter ended 31 December 2020, the NAV of feeder funds whose master funds are authorised by the SFC has been excluded from the total NAV in the "Fund of funds" category to better reflect the total assets under management. For comparison purposes, similar adjustments have been made to the total NAV figures as at 31 March 2020.

3 Including exchange-traded funds.

4 These figures differ from those disclosed in the *Annual Report 2019-20* due to a revised figure reported after the report was published.

5 Figures do not add up to total due to rounding.

Table 5 Successful prosecutions

Defendant	Date of conviction	Fine/Penalty	Investigation costs awarded
Insider dealing			
CHOW Chiu Chi	17.12.2020	\$45,000 and 45-day imprisonment	\$37,029
Market manipulation			
KE Wen Hua	11.9.2020	\$30,000	\$65,420
Provision of false/misleading representation to the SFC			
LAU Tin Yau	3.9.2020	\$36,000	\$28,248
Unlicensed activities			
YAU Ka Fai	29.4.2020	240-hour community service	–
CHAN Ying Ming Simon	9.7.2020	\$20,000	\$35,431
Brilliance Capital Management Limited	24.7.2020	\$15,000	\$62,196
LAW Sai Hung	24.7.2020	\$15,000	–
Disclosure of Interests			
Snow Lake Capital (HK) Limited	4.3.2021	\$24,000	\$13,571

Note: Cases with fines below \$10,000 are not shown in this table.

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Table 6 Other public disciplinary actions

Name	Date	Breaches	Action
CHAN Shun King	25.11.2020	Conducted unauthorised transactions in client accounts	Banned from re-entering the industry for 24 months
PANG Hon Pan	25.11.2020	Breached staff trading policy and made a wilful misrepresentation to the Securities and Futures Appeals Tribunal	Banned from re-entering the industry for 21 months
Sandra CHEUNG Wing Yi	29.10.2020	Maintained an external securities trading account and conducted personal trades in the account without approval by the firm	Suspended for 12 months
MUNG Wai Sun	21.9.2020	Conducted unauthorised transactions in a client account	Suspended for nine months
Masy LO Mee Chi	31.8.2020	Fabricated a signature in connection with the purchase of a fund	Banned from re-entering the industry for eight months
CHAN Yiu Ting	12.8.2020	Conducted unauthorised transactions in a client account	Banned from re-entering the industry for 18 months
LAI Wing Fat	7.7.2020	Conducted unauthorised transactions in client accounts	Banned from re-entering the industry for 20 months
KWOK Chau Mo	28.5.2020	Breached the firm's trading policies	Banned from re-entering the industry for nine months

Table 7 Other enforcement activities

	2020/21	2019/20	2018/19
S179 ¹ inquiries commenced	42	31	26
S181 ² inquiries commenced (number of letters sent)	246 (8,748)	231 (8,767)	294 (9,074)
S182 ³ directions issued	189	187	231
Rule 8 directions ⁴ issued	0	1	4
Show cause letters ⁴ issued	0	0	2
Cases with search warrants executed	28	17	30
Compliance advice letters issued	231	218	234
Criminal, Civil and Market Misconduct Tribunal (MMT) proceedings			
(a) Insider dealing			
Individuals/corporations summonsed (summons laid)	1 (1)	1 (2)	1 (5)
Individuals/corporations involved in ongoing civil proceedings	11	11	11
Individuals/corporations involved in ongoing MMT proceedings	3	7	5
(b) Market manipulation			
Individuals/corporations summonsed (summons laid)	6 (6)	1 (3)	0 (0)
Individuals/corporations involved in ongoing civil proceedings	18	18	0
(c) Others			
Individuals/corporations summonsed (summons laid)	3 (21)	5 (5)	4 (37)
Individuals/corporations involved in ongoing civil proceedings	150	129	90
Individuals/corporations involved in ongoing MMT proceedings	20	27	25
Disciplinary enquiry			
Notices of Proposed Disciplinary Action ⁵ issued	27	35	22
Notices of Decision ⁶ issued (including S201 ⁷ agreement)	35	46	34
SFAT hearings			
Applications to SFAT	6	3	4
Applications/hearings completed	4	2	5

1 Section 179 of the Securities and Futures Ordinance (SFO) gives the SFC the power to compel the production of records and documents from persons related to a listed company in relation to fraud or other misconduct.

2 Section 181 of the SFO gives the SFC the power to require information from intermediaries about trading transactions, including the identity information of the ultimate clients, the particulars and instructions relating to the transactions.

3 Section 182 of the SFO gives the SFC the power to investigate SFO offences, market misconduct, fraud, misfeasance and disciplinary misconduct.

4 A Rule 8 direction is issued by the SFC pursuant to Section 8 of the Securities and Futures (Stock Market Listing) Rules, directing the Stock Exchange of Hong Kong Limited (SEHK) to suspend trading in the shares of a listed company on grounds that the market is misinformed, disorderly or unfair. A show cause letter is sent by the SFC to inform a listed company that it is minded to exercise its power under the aforesaid Rules to direct SEHK to suspend trading in the shares of the company, in the absence of a satisfactory explanation.

5 A notice issued by the SFC to regulated persons that it proposes to exercise its disciplinary powers, on grounds that they appear to be guilty of misconduct or not fit and proper.

6 A notice that sets out the SFC's decision and its reasons to take disciplinary action against regulated persons.

7 Section 201 of the SFO gives the SFC the power to resolve disciplinary proceedings by agreement when the SFC considers it appropriate to do so in the interest of the investing public or in the public interest.

Breakdown of SFC activity data

Table 8 Statistical information and financial position of the Hong Kong securities industry¹

	As at 31.12.2020	As at 31.12.2019	As at 31.12.2018
Securities dealers and securities margin financiers	1,391	1,379	1,312
Active cash clients ²	1,737,281	1,423,007	1,410,319
Active margin clients ²	1,470,396	601,842	463,970
Active clients	3,207,677	2,024,849	1,874,289
Balance sheet	(\$ million)	(\$ million)	(\$ million)
Cash in hand and at bank ³	640,379	505,627	515,715
Amounts receivable from margin clients ⁴	201,916	165,919	180,800
Amounts receivable from clients and other dealers arising from dealing in securities	333,878	186,361	158,495
Proprietary positions	212,763	133,663	89,096
Other assets	423,539	331,341	282,426
Total assets	1,812,475	1,322,911	1,226,532
Amounts payable to clients and other dealers arising from dealing in securities	877,314	580,610	531,638
Total borrowings from financial institutions	156,267	119,934	111,396
Short positions held for own account	78,572	47,175	38,285
Other liabilities	234,265	159,784	148,483
Total shareholders' funds	466,057	415,408	396,730
Total liabilities and shareholders' funds	1,812,475	1,322,911	1,226,532
	12 months to 31.12.2020 (\$ million)	12 months to 31.12.2019 (\$ million)	12 months to 31.12.2018 (\$ million)
Profit and loss			
Total value of transactions ⁵	129,651,195	85,831,384	89,678,389
Net securities commission income	28,374	19,901	24,197
Gross interest income	19,493	23,172	22,471
Other income ⁶	150,159	118,809	114,637
Total operating income	198,026	161,882	161,305
Total overheads and interest expense	167,122	149,920	137,757
Total operating profit	30,904	11,962	23,548
Net profit on proprietary trading	16,649	13,201	14,783
Net profit for the period	47,553	25,163	38,331

1 Data were extracted from the monthly financial returns submitted under the Securities and Futures (Financial Resources) Rules by corporations licensed for dealing in securities or securities margin financing. Figures reported by an overseas incorporated licensed corporation which carries out its principal business activities outside Hong Kong and operates in Hong Kong as a branch office were excluded.

2 Active clients are clients for whom the licensed corporation is required to prepare and deliver monthly statements of account in respect of the relevant reporting month under the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules.

3 Cash in hand and at bank includes trust monies held on behalf of clients which totalled \$437,280 million (31.12.2019: \$288,016 million).

4 As at 31.12.2020, the average collateral coverage was 4.6 times (as at 31.12.2019: 3.9 times). This figure represents the number of times the aggregate market value of securities collateral deposited by margin clients covers the total amount of margin loans due from these clients on a given date on an industry-wide basis.

5 The total value of transactions includes trading in equities, bonds and other securities in Hong Kong and overseas.

6 Comprises fund management fee income, corporate finance income, inter-company management fee income and others.

Committees, panels and tribunal

A number of committees and panels have been set up to advise the SFC on various matters and perform other functions as set out in their terms of reference. Their responsibilities and members are listed in this section. For information on the board committees and Executive Committee, see Corporate Governance on pages 13-33.

SFC Committees

Advisory Committee

Advises the SFC on any matter of policy regarding the performance of its functions.

Chairman

LUI Tim Leung Tim, SBS, JP

Members

ALDER Ashley Ian, SBS, JP
 Prof CHAN Ka-lok
 CHAN Lap-tak Jeffrey
 CHAN Yuk Sing Freeman
 DING Chen
 GRAHAM David
 HO Yin Tung Brian
 KUNG Yeung Ann Yun-Chi

LEUNG Chung Yin Rico
 PUN Wing-nin Winnie
 Dr TAN Yue-heng, JP
 WONG Wai-man June
 YIEN Yu-yu Catherine
 YIM Lok-kui
 YIN Ke

Number of meetings: 3

Average attendance rate: 89%

Academic and Accreditation Advisory Committee

Approves industry-based courses and examinations for the purpose of meeting the licensing competence requirements, endorses applications from professional bodies and tertiary institutions as recognised institutions for providing continuous professional training (CPT), advises the SFC on areas to study in the context of enhancing Hong Kong's position as an international financial centre and provides input for the development of industry-related courses and training programmes.

During the year, the Committee met once to consider a number of matters, including the proposed enhanced competency framework for intermediaries and individual practitioners, the pragmatic measures on examination and CPT compliance that were introduced under COVID-19, updates on examination and training services provided by Hong Kong Securities and Investment Institute, and the approval of two applications to be a recognised institution for providing CPT.

Chairperson

LEUNG Fung Yee Julia, SBS

Members

Dr CHAN Fung Cheung Wilson
 Dr CHAN Wing Ho Alex
 Prof CHENG Wui Wing Joseph
 CHEUNG Wai Kwok Gary
 Prof LEUNG Siu Fai

Secretary

MAN Hoi Yee Holly

LO Wai Shun Wilson
 PAN San Kong Terry
 PONG Po Lam Paul
 WONG Wing Fai Joseph

Number of meetings: 1

Average attendance rate: 100%

Committees, panels and tribunal

Committee on Real Estate Investment Trusts

Advises the SFC on general policy matters or regulatory issues that are related to the Code on Real Estate Investment Trusts (REITs), the overall market development of REITs, the property or securities market or investment management in Hong Kong or elsewhere, professional practices or guidelines that are involved in the operation of REITs, and fund investment or management in general.

During the year, the Committee met once to discuss policy issues in relation to REITs.

Chairperson

CHOI Fung Yee Christina

Members

CHAN Duen Grace
Dr CHAN Ho Wah Terence
CHAN Wing Hing Barry
CHIANG Sui Fook Lilian
HO Edmund
HO Yin Tung Brian
Prof HUI Chi Man, MH

Secretary

LAU Tin Mei

KWOK Lam Kwong Larry, SBS, JP
LAU Chun Kong, JP
LAU Ka Shi Betsy, BBS
NG Yiu Fai (Curtis NG)
WONG Chi Ming Sally
WU Thomas Jefferson, JP
YEONG Wei Ming Alexandra

Number of meetings: 1

Average attendance rate: 93%

Disciplinary Chair Committee

Members are nominated by the Nominations Committee on the basis that they are duly experienced and legally qualified persons. Their role is to act as Chairman of the Takeovers and Mergers Panel in disciplinary proceedings under the Codes on Takeovers and Mergers and Share Buy-backs or of the Takeovers Appeal Committee on a case-by-case basis.

Members

DAWES Victor, SC
JAT Sew Tong, SC, JP
LAM Douglas Tak Yip, SC

SHIEH Wing Tai Paul, SC
WONG Man Kit Anson, SC

Fintech Advisory Group

Aims to broaden the SFC's understanding of the opportunities, risks and regulatory implications of the latest Fintech trends and developments.

During the year, the Group met twice to discuss a range of topics, such as recent trends in digitisation, adoption of blockchain in the financial industry and regulation of virtual assets.

Chairperson

LEUNG Fung Yee Julia, SBS

Ex-officio member

CHIU Ka Lai Clara

Members

ARSLANIAN Henri	LI Shu Pui (from 1.3.2021)
CHENG Andrew (to 28.2.2021)	MA Henry
JOHNSTONE Syren (to 28.2.2021)	MCCORMACK Urszula (to 28.2.2021)
KIEW-SMITH Christopher (from 1.3.2021)	Prof POON Jack (from 1.3.2021)
LEI Kelvin (from 1.3.2021)	Dr SPIEGL Florian Matthaeus
LEWIS Antony	TAN Jessica
Prof LIN Chen (from 1.3.2021)	

Number of meetings: 2

Average attendance rate: 93.8%

Investor Compensation Fund Committee

Administers the Investor Compensation Fund and regulates its procedures in accordance with Part XII of the Securities and Futures Ordinance (SFO).

During the year, the Committee met once to consider the financial statements of the Fund and dealt with other administrative matters.

Chairman

LEUNG Chung Yin Rico

Members

ATKINSON Thomas Allan	Dr LIN James C (from 1.8.2020)
Dr WONG Ming Fung William, SC, JP (to 31.7.2020)	KOK Ka Keung (Kenneth KOK)

Number of meetings: 1

Average attendance rate: 100%

Committees, panels and tribunal

Investor Compensation Company Limited Claims Committee

Reviews and determines investors' claims for compensation from the Investor Compensation Fund. During the year, the Claims Committee determined matters (including claims) by written resolution rather than by convening meetings.

Chairman	
Dr WONG Ming Fung William, SC, JP (to 31.7.2020) Dr LIN James C (from 1.8.2020)	
Members	
CHAN Lui (Clara Chan) Kwok Hom Siu (Sally Kwok) LEE Jor Hung (Dannis Lee) LEUNG Chung Yin Rico LO Dak Wai Alexandra, JP (to 31.1.2021)	MONG Yee Wai (Lavina Mong) MUKADAM Thrity Homi TSO Pui Sze (Teresa Tso) TSUI Kam Yip (Alison Tsui) (from 1.2.2021) WAN Chi Yiu, Andrew
Number of meetings: N/A	Average attendance rate: N/A

Nominations Committee

Nominates members of the Takeovers and Mergers Panel, the Takeovers Appeal Committee and the Disciplinary Chair Committee.

During the year, the Committee met once to consider the appointment and reappointment of members to the above-mentioned panel and committees.

Chairman (ex-officio member)	
ALDER Ashley Ian, SBS, JP	
Members	
LUI Tim Leung Tim, SBS, JP Ex-officio members CLARK Stephen Edward Alternate members to CLARK Stephen Edward CHAN Yuk Sing Freeman KO Teresa Yuk Yin, JP LAM Chor Lai, Celia	DAWES Victor, SC (from 11.8.2020) HO Yin Tung Brian MAGUIRE John Martin SCHWILLE Mark Andrew WEBB David Michael
Number of meetings: 1	Average attendance rate: 100%

Products Advisory Committee

The SFC may consult the Committee on a wide range of matters relating to the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products, the SFC Code on MPF Products and the Code on Pooled Retirement Funds, overall market environment, industry practices and novel product features.

During the year, the Committee held a meeting to discuss the latest enhancements and developments on environmental, social and governance (ESG) funds and the open-ended fund companies regime.

Chairman

CHOI Fung Yee Christina

Members

ABRAT Katherine Anna	MILLS Guy Raymond Adam (to 28.4.2020)
CHAN Duen Grace	MONCREIFFE Edward Charles Lawrence (from 22.5.2020)
CHAN Siu Ping Chordio	NOYES Keith Samuel
CHOW Kin Hung (Nelson CHOW) (from 30.9.2020)	PAN San Kong Terry
FUNG Ka Shing Bernard	PANG Wai Sau Queenie
HUI Mei Ying (Carol HUI)	SHEN Hua
KENNEDY Glenn Ronald	SHIPMAN Mark Graham
KIM Suyi	SMITH Paul Henry
LAU Karen Ga-Yun (to 23.12.2020)	TAM Sau Ngor Vera
LEE Chi Kee Trevor	TSUI Wai Yu (Fion TSUI) (from 19.3.2021)
LEE Kam Wing, Bruno (to 14.9.2020)	TZATZAKIS Costa (Con TZATZAKIS)
LIU Yun Bonn (Bonn LIU)	WONG Pui Ling Pauline
LYU Hong (Sandra LU)	YEE Gar Bo Gabriella
Dr MAK Sui Choi Billy	YEONG Wei Ming Alexandra
Dr MALDONADO-CODINA Guillermo Eduardo (Bill MALDONADO) (to 19.3.2021)	

Secretary

POON Wing Yee Loreen

Number of meetings: 1

Average attendance rate: 92%

Committees, panels and tribunal

Public Shareholders Group

Advises on issues relating to shareholders' rights and interests.

During the year, the Group met four times and discussed various policy subjects, such as the financial reporting requirements and general meeting arrangements in light of the COVID-19 pandemic, the return of US-listed Greater China issuers to the Hong Kong market and the proposed Code of Conduct for bookbuilding and placing activities and the "sponsor coupling" proposal.

Chairman	
HO Yin Tung Brian	
Members	
BENNETT Prudence Ann	TYE Philip Andrew
GILL Amar Singh	WANG Fang
HO Chi On John	WEI Zhen
MO Yuen Man Anita	WONG Chi Ming Sally
PARK Yoo Kyung	WONG David (Nicholas)
SCHLABBERS Manuel	WONG Yu Tsang Alex
Number of meetings: 4	Average attendance rate: 90.5%

Securities Compensation Fund Committee

Administers the Unified Exchange Compensation Fund and regulates its procedures in accordance with Part X of the repealed Securities Ordinance which, under section 74 of Schedule 10 to the SFO, continues to apply to and in relation to any claim for compensation from the Fund made before 1 April 2003.

During the year, the Committee met once to consider the Fund's financial statements and to deal with other administrative matters.

Chairman	
LEUNG Chung Yin Rico	
Members	
ATKINSON Thomas Allan	YIU Ka Yan Wilfred
Dr LIN, James C. (from 1.8.2020)	KWOK Hom Siu (Sally KWOK)
Dr WONG Ming Fung William, SC, JP (to 31.7.2020)	
Number of meetings: 1	Average attendance rate: 100%

SFC (HKEC Listing) Committee

Exercises powers and functions equivalent to those of the Main Board and GEM Listing Committees of the Stock Exchange of Hong Kong Limited (SEHK) when actual or potential conflicts of interest arise between Hong Kong Exchanges and Clearing Limited (HKEX) and the proper performance of SEHK's listing functions. In such cases, the relevant SEHK functions may be undertaken by the SFC.

There were no circumstances which called for a meeting of the Committee during the year.

Chairman

Members present in each Committee meeting will elect a Chairman among themselves at the beginning of that meeting.

Members

ALDER Ashley Ian, SBS, JP	LEUNG Fung Yee Julia, SBS
ATKINSON Thomas Allan	PHADNIS Dhananjay Shrikrishna
CHAN Yuk Sing Freeman	TYE Philip Andrew
CHOI Fung Yee Christina	WONG David (Nicholas)
EMSLEY Matthew Calvert	YOUNG Andrew John
LEUNG Chung Yin Rico	

Number of meetings: 0

Average attendance rate: NA

SFC (HKEC Listing) Appeals Committee

Exercises powers and functions equivalent to those of SEHK's Listing Appeals Committee when actual or potential conflicts of interest arise between HKEX and the proper performance of listing functions by SEHK. In such cases, the relevant powers and functions may be exercised by the SFC.

There were no circumstances which called for a meeting of the Committee during the year.

Chairman

Members present in each Committee meeting will elect a Chairman among themselves at the beginning of that meeting.

Members

CHAN Kam Wing Clement, MH, JP	Dr LIN James C
CHAN Sui Kuen Agnes	LO Kar Chun Nicky, SBS, JP
CHENG Wai Sun Edward, GBS, JP	LUI Tim Leung Tim, SBS, JP
DAWES Victor, SC (from 1.8.2020)	Dr WONG Ming Fung William, SC, JP (to 31.7.2020)
HUANG Lester Garson, SBS, JP	

Number of meetings: 0

Average attendance rate: NA

Committees, panels and tribunal

Share Registrars' Disciplinary Committee

Hears and determines disciplinary matters relating to share registrars in the first instance.

There was no circumstance which called for a meeting of the Committee during the year.

Chairman	
NORMAN David Michael	
Deputy Chairman	
CHAN Henry	
Members	
CHUI Ming Wai (Vivian CHUI) FOOTMAN Michael Henry Charles LAM Hui Yip (Clement LAM) LEE Virginia Yuen Man	LO Dak Wai Alexandra, JP (to 31.1.2021) TSAI Wing Chung Philip, BBS, JP WONG Man Yee (Fanny WONG)
Number of meetings: 0	Average attendance rate: N/A

Share Registrars' Disciplinary Appeals Committee

Hears and determines appeals from the Share Registrars' Disciplinary Committee. Each appeal is heard by members of the Share Registrars' Disciplinary Committee who did not preside or participate in the case's disciplinary hearing.

There were no circumstances which called for a meeting of the Committee during the year.

Takeovers and Mergers Panel

Hears disciplinary matters in the first instance and reviews rulings by the Takeovers Executive¹ at the request of any party dissatisfied with such a ruling. Considers novel, important or difficult cases referred to it by the Executive. Reviews, upon request by the SFC, the provisions of the Codes on Takeovers and Mergers and Share Buy-backs (Codes) and the Rules of Procedure for hearings under the Codes and recommends appropriate amendments to the Codes and Rules of Procedure to the SFC.

There were no circumstances which called for a meeting of the Panel during the year.

Chairman

CLARK Stephen Edward

Deputy Chairpersons

CHAN Yuk Sing Freeman
KO Teresa Yuk Yin, JP
LAM Chor Lai, Celia

MAGUIRE John Martin
SCHWILLE Mark Andrew
WEBB David Michael

Members

BIDLAKE Alexandra
BROWN Melissa
CHAN Che Chung (Conrad CHAN)
CHARLTON Julia Frances
CHENG Wai Sun, Edward, GBS, JP
Chow Koon Ying (Paul CHOW) (to 22.2.2021)
IP Koon Wing Ernest
LEE Kam Hung Lawrence, BBS, JP
LEUNG Po Wah, Pauline
LIU Yun Bonn (Bonn LIU)
LLOYD Victoria Sally Tina
NORMAN David Michael
NORRIS Nicholas Andrew
PARK Yoo Kyung

SABINE Martin Nevil
SHAH Asit Sudhir
STEINERT Timothy A.
TYE Philip Andrew
VAS CHAU Lai Kun Judy
WINTER Richard David
WOLHARDT Julian Juul
WONG Richard
WONG Wai Ming
WONG Yu Tsang, Alex
WOO Ka Biu, Jackson
YU Ka Po Benita
YUEN Ka Fai (Frank YUEN)

Number of policy meeting: 0
Number of non-disciplinary hearings: 0
Number of disciplinary hearings: 0

Average attendance rate: N/A
Average attendance rate: N/A
Average attendance rate: N/A

¹ The Takeovers Executive refers to the Executive Director of the Corporate Finance Division of the SFC or his delegate.

Committees, panels and tribunal

Takeovers Appeal Committee

Reviews disciplinary rulings of the Takeovers and Mergers Panel at the request of an aggrieved party for the sole purpose of determining whether any sanction imposed by the Panel is unfair or excessive.

There were no circumstances which called for a meeting of the Committee during the year.

Members

BIDLAKE Alexandra	NORRIS Nicholas Andrew
BROWN Melissa	PARK Yoo Kyung
CHAN Che Chung (Conrad CHAN)	SABINE Martin Nevil
CHAN Yuk Sing Freeman	SCHWILLE Mark Andrew
CHARLTON Julia Frances	SHAH Asit Sudhir
CHENG Wai Sun, Edward, GBS, JP	STEINERT Timothy A.
Chow Koon Ying (Paul CHOW) (to 22.2.2021)	TYE Philip Andrew
CLARK Stephen Edward	VAS CHAU Lai Kun Judy
IP Koon Wing Ernest	WEBB David Michael
KO Teresa Yuk Yin, JP	WINTER Richard David
LAM Chor Lai, Celia	WOLHARDT Julian Juul
LEE Kam Hung Lawrence, BBS, JP	WONG Richard
LEUNG Po Wah, Pauline	WONG Wai Ming
LIU Yun Bonn (Bonn LIU)	WONG Yu Tsang, Alex
LLOYD Victoria Sally Tina	WOO Ka Biu Jackson
MAGUIRE John Martin	YU Ka Po Benita
NORMAN David Michael	YUEN Ka Fai (Frank YUEN)

Number of meetings: 0

Average attendance rate: N/A

Independent Panels and Tribunal

Leveraged Foreign Exchange Trading Arbitration Panel

Resolves disputes in accordance with the Securities and Futures (Leveraged Foreign Exchange Trading) (Arbitration) Rules.

The panel received no new cases during the year and none were carried over from the previous year.

Chairman

LAM Yuk Kun Lawrence (to 16.07.2020)
LEE Pui Shan Rosita (from 17.7.2020)

Deputy Chairman

CHAN Siu-ping Chordio (from 17.7.2020)

Members

CHEUNG Tai Keung Jack (to 16.07.2020)	LEUNG Bon-yuen, Eviana (from 17.7.2020)
FUNG Kit-ming, Veronica (from 17.7.2020)	LEUNG Tak-lap

Process Review Panel for the Securities and Futures Commission

Reviews and advises the SFC upon the adequacy of the SFC's internal procedures and operational guidelines governing the action taken and decisions made by the SFC and its staff in the performance of its regulatory functions, including those related to the handling of complaints, licensing applications, inspection of intermediaries, investment products authorisation, exercise of investigation and disciplinary action, and corporate finance transactions (including the administration of listing rules).

Chairman

LEE Kam Hung Lawrence, BBS, JP

Members

CHAN Lap-tak Jeffrey	KWAN Wing-han Margaret
CHAN Lena	KWOK Tun-ho Chester
CHAU Suet-fung Dilys	LAI Hin-wing Henry
CHING Kim-wai Kerry (from 1.11.2020)	Dr MAK Sui-choi Billy
CHUA Suk-lin Ivy	TSANG Sui-cheong Frederick
CHUI Yik-chiu Vincent	YUEN Shuk-kam Nicole (to 31.10.2020)
DING Chen (to 31.10.2020)	ZEE Helen (from 1.11.2020)

Ex-officio members

CHEUNG Kam-Wai Christina, JP (to 28.2.2021)	LUI Tim Leung Tim, SBS, JP
YUNG Lap-yan (from 1.3.2021)	

Committees, panels and tribunal

Securities and Futures Appeals Tribunal

Reviews a range of specified decisions made under the SFO by the SFC, the Monetary Authority or a recognised investor compensation company, and hears and determines any question or issue arising out of or in connection with any review.

Chairmen

HARTMANN Michael John, GBS
KWOK Hing-wai Kenneth, SBS, SC, JP

TALLENTIRE Garry
LUNN Michael Victor, GBS

Members

CHAN Chun-hung Vincent
Prof CHAN Koon-hung
CHAN Lap-tak Jeffrey
CHAN Mei-bo Mabel
CHENG Wai-sum Yvonne
CHING Kim-wai Kerry
DATWANI Mohan
HUI Ming-ming Cindi
KONG Chi-how Johnson
LAI Hin-wing Henry
LAM Chi-yuen Nelson
LEUNG Ming-hym Peter
Prof LEUNG Siu-fai

MAK Kwong-fai
Dr MAK Sui-choi Billy
MUH Yi-tong Anthony
NG Joo-yeow Gerry
SHIH Edith
TSANG Chi-wai Roy
TSANG Kam-yin Wendy
WONG Hin-wing Simon
WONG Kwok-ching Jamee
YAU Yu-xin Amelia
YUEN Miu-ling Wendy
ZEE Helen

Glossary and abbreviations

Automated trading services (ATS)

Electronic facilities, outside of those provided by a recognised exchange company or clearing house, through which participants may trade, clear and settle securities, futures contracts and over-the-counter derivatives.

Circuit breaker

A mechanism which halts trading when triggered by significant price movements. It may be imposed on individual stocks or the market as a whole.

Dark pool

An electronic system which allows crossing or matching of orders anonymously outside traditional exchanges without any pre-trade transparency. Also known as alternative liquidity pool or alternative trading system.

Exchange participant

A company with rights to trade on or through the Stock Exchange of Hong Kong Limited or Hong Kong Futures Exchange Limited.

Financial Action Task Force (FATF)

An inter-governmental body established to set standards and promote measures to combat money laundering, terrorist financing and related threats to the integrity of the international financial system.

Financial Stability Board (FSB)

An international body which promotes global financial stability through recommendations for, and the implementation and monitoring of, policy initiatives and international standards.

GEM

A stock market operated by Hong Kong Exchanges and Clearing Limited to provide fund-raising opportunities for small to mid-sized companies which may not meet the Main Board listing requirements. Formerly known as the Growth Enterprise Market.

International Organization of Securities Commissions (IOSCO)

A body of securities regulators worldwide which develops, implements and promotes adherence to internationally recognised standards for securities regulation.

Investment-linked assurance scheme (ILAS)

A life insurance policy with investment elements which provides both insurance protection and investment options, usually through funds.

Leveraged and inverse products

Products structured as exchange-traded funds for public offering in Hong Kong. Leveraged products aim to deliver a daily return equivalent to a multiple of the underlying index return while inverse products aim to deliver the opposite of the daily return of the underlying index.

Mandatory general offer

A general offer to buy the remaining shares in a company when a person or a group of persons acting together acquires 30% or more of the company's voting rights, or if the person or group already holds between 30% and 50% of the voting rights, when that holding increases by more than 2% in any 12-month period.

Market Misconduct Tribunal (MMT)

An independent full-time body established under the Securities and Futures Ordinance which imposes civil sanctions against those it determines to be guilty of market misconduct.

Occupational retirement scheme

A voluntary scheme set up by employers in Hong Kong to provide retirement benefits for their employees.

Glossary and abbreviations

Open-ended fund companies (OFC)

Collective investment schemes structured in corporate form with limited liability and variable share capital.

Over-the-counter (OTC) derivatives

Financial instruments which are usually traded directly between dealers and principals rather than via an exchange and whose values are derived from those of underlying assets.

Pooled retirement fund

A collective investment scheme which enables multiple occupational retirement schemes to gain exposure to underlying investment portfolios.

Ramp and dump scheme

A form of stock market manipulation. Fraudsters “ramp” up the price of a stock and use social media to lure unwary investors to buy at an artificially high price. The fraudsters then sell or “dump” the stock to take profits causing the price to collapse.

Real estate investment trust (REIT)

A collective investment scheme constituted as a trust which invests primarily in real estate with the aim to provide returns derived from rental income.

Securities and Exchange Commission of Thailand

The authority that regulates the securities market in Thailand.

Securities and Futures Appeals Tribunal (SFAT)

A body established under the Securities and Futures Ordinance to review specified decisions made by the SFC, the Hong Kong Monetary Authority or a recognised investor compensation company.

Securities and Futures Ordinance (SFO)

Together with subsidiary legislation, the law in Hong Kong relating to financial products, the securities and futures market and industry, as well as to their regulation and other matters including investor protection.

Undertakings for the Collective Investment in Transferable Securities (UCITS)

A single European regulatory framework which allows funds to be distributed publicly to investors across the European Union (EU). UCITS funds are also distributed outside the EU.

Unit trust

A collective investment scheme constituted in trust form.

Virtual assets

Digital representations of value, also known as cryptocurrencies, crypto-assets or digital tokens.

Whitewash waiver

A waiver of a party's obligation to make a mandatory offer to other shareholders under the Takeovers Code.