

Highlights

Key figures for 2025-26¹

Maintaining market resilience and mitigating harm

47 alerts against suspicious virtual asset trading platforms and investment products

70 individuals and corporations subject to ongoing civil proceedings

4,727 requests for trading and account records

237 cases initiated for investigation

\$84.5 million in fines imposed on licensees

212 on-site inspections of licensed corporations and associated entities

90 anti-scams posts on anti-scams Instagram page

Enhancing Hong Kong's global competitiveness

603 new listing applications received (+282%) | **9,736** new licence applications² (+15%)

1,066 authorised Hong Kong-domiciled funds (+9.2%);
AUM³ **\$2,334 billion** (+19.4%)

213 authorised ETFs and **29** L&I products⁴:
Average daily turnover **+51%**
Total market capitalisation **+25%**

Stock Connect's cumulative net inflows:

Northbound: **RMB1.47 trillion**

Southbound: **\$5.3 trillion**

Leading market transformations via technology and ESG

12 licensed virtual asset trading platforms⁵

11 virtual asset spot ETFs; market capitalisation **\$4.3 billion** (+90% since launch)

13 tokenised retail products
AUM **\$10.8 billion** (+594%)

190 authorised ESG⁶ funds

Enhancing SFC's resilience and efficiency

Named a Caring Organisation for **20th** year

Expenses to income ratio stable at **80%** for 3 years

150+ senior executives' speaking engagements

880 social media posts, **216** press releases

¹ All figures as of 31 March 2026. All percentage changes are on a year-on-year basis, unless specified otherwise.

² Under the Securities and Futures Ordinance.

³ Assets under management.

⁴ Exchange-traded funds and leveraged and inverse products.

⁵ Under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

⁶ Environmental, Social and Governance.

Highlights

This Highlights chapter reviews the SFC's key initiatives undertaken in the year 2025-26 to implement our four Strategic Priorities:



Maintaining market resilience and mitigating serious harm to our markets

Enhancing resilience through supervision and surveillance

- Required **IPO⁷ sponsors** to conduct internal reviews and to rectify their deficiencies in listing document preparation and potential misconduct.
- Reviewed **SEHK's⁸ 2024 performance** in its **regulation of listing matters** and made recommendations.
- Proposed to extend the **Hong Kong investor identification regime** to the exchange-traded derivatives market.
- Conducted **thematic inspections of asset managers** managing private funds and discretionary accounts.
- Reviewed selected securities brokers' due diligence and their monitoring of **finfluencers** and **digital platforms**.

Combatting misconduct of all forms

- **Fined** 13 LCs for \$84.5 million and **disciplined** 23 individuals.
- Obtained a **compensation order of \$595 million** against shadow or former corporate directors for orchestrating fraudulent schemes.
- **First custodial sentence against an unlicensed finfluencer** for providing paid investment advice on social media.
- Initiated **64 new enquiries/ investigations** into listed company affairs and corporate misconduct.

Combatting suspicious activities and investment scams

- Alerted the public against **12 suspicious virtual asset trading platforms (VATPs)** and **35 suspicious investment products**.
- Co-launched⁹ the **Anti-Scam Consumer Protection Charter 3.0**.
- Strengthened our collaboration with the Police and established **protocol with ADCC¹⁰** and selected **licensed corporations (LCs)** to intercept scam-related fund flows; participated in the Virtual Asset Intelligence Taskforce¹¹.

7 Initial public offering.

8 The Stock Exchange of Hong Kong Limited.

9 In collaboration with the Hong Kong Monetary Authority (HKMA), Insurance Authority and Mandatory Provident Fund Schemes Authority.

10 The Anti-Deception Coordination Centre.

11 A public-private partnership platform led by the Police.



Enhancing the global competitiveness and appeal of Hong Kong capital markets

Boosting listing market competitiveness and securities market efficiency

- Received 108 and 72 applications from pre-profit biotech companies and specialist technology companies respectively from the launch of the **Technology Enterprises Channel** in May 2025 to March 2026.
- Worked with SEHK on **optimising IPO price discovery** and **enhancing public float requirements**.
- Oversaw HKEX's¹² comprehensive assessment of the **board lot structure**.
- Finalised preparation for launching the **uncertificated securities market** in November 2026.

Deepening and broadening connectivity to Mainland and international markets

- Enhanced financial services collaboration with **international markets**; signed two **memoranda of understanding (MoUs)** on mutual recognition of funds arrangements¹³ and four MoUs on exchange of information¹⁴ with overseas regulators.
- Fostered mutual market access by enhancing **Stock Connect**, **Swap Connect** and **Wealth Management Connect**.
- Built regional regulatory alignment as Chair of the **IOSCO APRC**¹⁵.

Reinforcing Hong Kong's position as asset and wealth management hub

- Launched the **REIT Channel** and streamlined the authorisation process for listings of new real estate investment trusts (REITs).
- Streamlined regulatory requirements** for SFC-authorized funds.
- Facilitated the **first cross-listing** of an active ETF using a master-feeder structure under streamlined requirements.
- Approved listing of the **first sukuk** (ie, Islamic bond) **ETF**, also Asia's first government sukuk ETF.

Building FIC and risk management hub

- Jointly announced the Roadmap for the Development of **Fixed Income and Currency (FIC) Markets** with the HKMA.
- Enhanced Hong Kong's **over-the-counter (OTC) derivatives reporting regime** with the HKMA to keep up with international developments.
- Proposed to **implement internationally comparable capital requirements** for LCs engaging in **OTC derivatives activities**.

12 Hong Kong Exchanges and Clearing Limited.

13 Signed with the Capital Market Authority (formerly known as the Securities and Commodities Authority) of the United Arab Emirates (UAE) and the Central Bank of Ireland, respectively.

14 Signed with the financial regulators in Dubai International Financial Centre, Abu Dhabi Global Market (ie, the international financial centre of the capital city of the UAE), and Ontario and Québec of Canada, respectively.

15 The International Organization of Securities Commissions' Asia-Pacific Regional Committee.



Leading financial market transformation through technology and ESG

Enhancing access to digital asset market with robust investor protection

- Launched and concluded a joint consultation with the FSTB¹⁶ on proposals to regulate **virtual asset (VA) dealing and custodian** service providers; further proposed to extend the licensing framework towards **VA advisory and management**.
- Allowed licensed VATPs to **tap global liquidity** via shared order book with their overseas affiliates.
- Permitted affiliates of licensed VATPs to act as **market makers** on the platforms.
- Provided further guidance on the minimum requirements for **VATPs' safe custody of client VAs**.

Driving tokenisation and technological adoption

- Co-led with the HKMA the **pilot phase of tokenisation initiatives** via Ensemble^{TX}.
- Authorised eight additional **tokenised retail money market funds**¹⁷ and one **gold ETF with a tokenised class**.
- Allowed **secondary trading** of tokenised SFC-authorized investment products¹⁸.
- Worked with the Government on **stamp duty waiver** for transfers of tokenised ETFs.
- Co-launched the **Generative Artificial Intelligence Sandbox++** initiative¹⁹.

Expanding VA product and service offerings

- Guided VATPs on providing **staking services** and SFC-authorized VA funds on engaging in staking.
- Became **Asia Pacific's first** in allowing staking for VA spot ETFs.
- Allowed VA brokers to offer **VA financing** to securities margin clients.
- Authorised Asia's **first Solana spot ETF**.
- Set out a high-level framework to guide VATPs in developing **VA-related leveraged products**.

Strengthening collaboration with counterparts and the industry

- Signed our first MoU with an overseas regulator — the Capital Market Authority of the UAE — on **supervisory collaboration on digital asset entities**.
- Maintained dialogue with VATPs through the **Digital Asset Consultative Panel**.

Steering global and Hong Kong's sustainable finance development

- Co-chaired the Green and Sustainable Finance Cross-Agency Steering Group, which published its **2026-28 strategic priorities** and the **Hong Kong Green Fintech Map 2025**.
- Helped Hong Kong become one of the first jurisdictions recognised by the IFRS²⁰ Foundation with a commitment to **"fully adopting" the ISSB Standards**²¹.

16 The Financial Services and the Treasury Bureau.

17 These include the introduction of tokenised classes to existing SFC-authorized money market funds.

18 Post-reporting period.

19 Launched jointly with the HKMA, Insurance Authority and Mandatory Provident Fund Schemes Authority and in collaboration with Hong Kong Cyberport Management Company Limited.

20 International Financial Reporting Standards.

21 IFRS Sustainability Disclosure Standards.



Enhancing institutional resilience and operational efficiency

Ramping up regulatory efficiency with AI

- Leveraged an analytics tool to enhance our **monitoring and risk assessment of listed companies**.
- Launched a **social media monitoring** tool “SENSOR” to detect suspicious activities.
- Adopted an advanced risk-monitoring solution to boost our **oversight of LCs**.

Increasing digital system capabilities and improving workflows

- Upgraded the **e-IP platform** to support the streamlined authorisation process and simplified documentation requirements for REITs.
- Enhanced **WINGS²²** to facilitate electronic submissions under the company re-domiciliation and itinerant professional regimes.
- Reduced average processing time for eligible simple funds by **more than 50%**.

Meeting performance pledges

- **Fulfilled our performance pledges** across a wide variety of functions such as licence application processing, product authorisation and complaint handling.

Proactive communications to facilitate effective regulation

- Co-organised the **Hong Kong Fixed Income and Currency Forum** with the HKMA.
- Co-hosted the **Conversations with Global Investors forum** with the HKMA and Hong Kong Academy of Finance.
- Hosted two **broker forums** and two **AML/CFT²³ webinars** for the industry.
- Spoke at **over 150** local and international events on important capital market topics.

Upholding financial discipline

- Managed carefully the expenses to income ratio to consistently maintain a **balanced and independently-funded position** over the past years.
- **Controlled expenditure rigorously** under heightened regulatory demand and increasing market complexity.

22 Web-based INTeGrated Service.

23 Anti-money laundering and counter-financing of terrorism.