The SFC’s strategic action plan to implement the key initiatives under Hong Kong’s first Five-Year Plan and the Chief Executive’s 2026 Policy Address

<table>
<tr><th rowspan="2">Policy Objectives</th><th colspan="2">SFC strategic action plan</th></tr>
<tr><th>Short Term</th><th>Medium to Long Term</th></tr>
<tr><td>RMB Development, Asset and wealth Management, Risk Management</td><td>• Launch RMB trading counter under southbound trading of Stock Connect
• Expand asset management product suite
• Amend Code on Unit Trust and Mutual Funds
• Amend regulations of REIT privatisation and scheme of arrangement
• Introduce stamp duty waiver for transfer of non-residential properties into REITs
• Launch new reference rate for Swap Connect within 2027
• Support international and Mainland financial institutions in establishing regional or global headquarters and risk management operations in Hong Kong
• Strengthen financial talent development, qualification alignment and cross-boundary exchanges</td><td>• Expand the range of products in different types and asset classes to be denominated, traded and settled in RMB;
• Develop RMB hedging tools and expand the suite of RMB foreign exchange futures
• Encourage allocation by Mainland, Hong Kong and overseas long-term capital into Hong Kong ETF
• Promote Mainland public and insurance funds to invest in Hong Kong ETF through Stock Connect
• Enhance and expand mutual recognition of funds arrangement and supervisory cooperations with other markets
• Promote cross-listing or cross border offering of investment products</td></tr>
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Enhancing stock and bond markets	• Work with relevant authorities to introduce REIT Connect • Establish FIC trading platform with HKEX and relevant stakeholders • Implement T+1 settlement • Introduce cross-margining and expand eligible non-cash collateral and reduce relevant fees • Enable HKCC and SEOCH to accept China Government Bond as margin collateral • Implement the uncertificated securities market regime • Conduct second-stage consultation on increasing the competitiveness of the listing mechanism to refine requirements concerning notifiable transactions, connected transactions and spin-offs • Review specialist technology listing regime • Review GEM Listing Rules	• Enhance various Connect Schemes • Develop internationally aligned standards for fixed income issuance and trading practices • Consider the establishment of a central counterparty for clearing repo transactions • Enhance the connectivity and interoperability of local central securities depositories for stocks and bonds • Extend trading hours • Strengthen the derivatives ecosystem, e.g., launch short-dated stock options and thematic futures and options • Support the Mainland’s development of China asset benchmarks and ETFs • Promote ETF market growth and innovation • Promote primary issuance and secondary trading of RMB bonds • Promote dual primary and secondary listing of overseas enterprises, including Belt and Road and Southeast Asian enterprises; advance the inclusion of Kazakhstan’s qualifying exchanges in the list of recognised stock exchanges • Conduct consultation on streamlining prospectus disclosure requirements in 2027

Developing commodity trading ecosystem	• Support gold central clearing and settlement system established by HKSARG • Refine regulatory regime for OTC derivatives to support physical commodity trading • Develop RMB-denominated gold and commodity products • Participate in Commodity Task Force established by HKSARG	• Establish integrated gold ecosystem • Strengthen linkage between Mainland and Hong Kong futures exchanges
Promoting Finance+	• Promote responsible AI adoption supported by robust governance and controls • Introduce new digital-asset licensing regimes • Continue co-hosting of Green Week annually, strengthen Hong Kong as a global sustainable finance hub • Collaborate with Mainland to scale green finance activities	• Develop regulatory frameworks for tokenised investment products, including tokenised gold and other real-world assets where appropriate • Support development of the sustainability disclosure ecosystem in Hong Kong and encourage companies' implementation of ISSB standards
Strengthening financial security	• Implement digital-asset custody surveillance, CrypTech market surveillance and anti-money laundering capabilities • Safeguard financial security through robust supervision and enforcement • Reduce chance of harm up front via heightened anti-scam education for the public • Deepen engagement with Mainland regulators to safeguard financial market stability	• Utilise technology, including artificial intelligence, in regulatory supervision, cybersecurity and anti-money laundering surveillance

Notes:

RMB: Reminbi
MRF: Mutual recognition of funds
REIT: Real Estate Investment Trust
FIC: Fixed Income and Currency

HKCC: The HKFE Clearing Corporation Limited
SEOCH: The SEHK Options Clearing House Limited
OTC: Over the counter
HKSARG: Hong Kong Special Administrative Region Government