

Operational Review

Corporates

Special Purpose Acquisition Companies¹ (SPACs)

We are working closely with the Stock Exchange of Hong Kong Limited (SEHK) to formulate a SPACs framework suitable for Hong Kong. On 17 September, SEHK launched a public consultation on proposals to introduce a listing regime for SPACs. The proposed regime aims to provide an alternative listing route for companies in Hong Kong, with safeguards designed to welcome experienced and reputable SPAC promoters seeking good-quality de-SPAC targets. The consultation period ended on 31 October and we will take market feedback into account when formulating the SPACs framework.

Listing applications

Our oversight of listing matters includes vetting of listing applications. During the quarter, we vetted 78 new listing applications, including three from companies with weighted voting rights structures and 15 from pre-profit biotech companies.

Exercising our powers under the Securities and Futures (Stock Market Listing) Rules, we issued three requisition letters directly to three listing applicants during the quarter. Amongst our concerns were the genuineness of the financial information of the listing applicant, the sufficiency of the sponsor's independent due diligence and the accuracy and completeness of the information submitted by the sponsor.

Corporate conduct

We conduct daily reviews of corporate announcements to identify potential misconduct and irregularities. During the quarter, we issued section 179² directions to gather additional information in six cases and wrote to listed issuers detailing our concerns in one case. These concerns included, for example, whether a corporate action or transaction is conducted in a manner which is oppressive or unfairly prejudicial to shareholders.

¹ A SPAC is a type of shell company which raises funds through its listing for the purpose of acquiring a business (a de-SPAC target) at a later stage (a de-SPAC transaction) within a pre-defined time period.

² Section 179 of the Securities and Futures Ordinance gives the SFC the power to compel the production of records and documents from persons related to a listed company.

Corporates

Takeovers matter

We publicly censured BIT Mining Limited³ for breaching the rules on special deals under the Code on Takeovers and Mergers (Takeovers Code) when it issued new shares to its director and shareholder, Man San Law, who is also a shareholder of Loto Interactive Limited, during its general offer for all the shares in Loto.

The issue of shares to Law constituted special deals under the Takeovers Code and they were completed without the consent of the Takeovers Executive⁴. Furthermore, BIT Mining did not obtain advice from its professional advisers on the Takeovers Code implications of these deals.

Listing applications and takeovers activities

	Quarter ended 30.9.2021	Six months ended 30.9.2021	Six months ended 30.9.2020	YoY change (%)
Listing applications	78	198	143	38.5
Takeovers and share buy-backs transactions	92	202	225	-10.2

³ Formerly known as 500.com Limited.

⁴ The Executive Director of the SFC's Corporate Finance Division or his delegate.

Intermediaries

Licence applications

In the quarter, we received 2,197 licence applications¹, including 63 corporate applications, a 18.5% decrease from the last quarter and up 42.9% compared with the same quarter last year.

As at 30 September, the total number of licensees and registrants remained stable at 48,364, of which 3,180 were licensed corporations.

Management and disclosure of climate-related risks

In August, we concluded a consultation on amendments to the Fund Manager Code of Conduct (FMCC) to require fund managers managing collective investment schemes to take climate-related risks into consideration in their investment and risk management processes and provide investors with appropriate disclosures. We also issued a circular setting out the expected standards for compliance with the amended FMCC. The requirements will be implemented in phases starting from 20 August 2022.

Conduct standards in capital market transactions

In October, we released consultation conclusions on conduct requirements for capital market transactions in Hong Kong to clarify the roles of intermediaries and set out the standards expected of them in bookbuilding, pricing, allocation and placing activities. Amendments to the Code of Conduct for Persons Licensed by or

Registered with the Securities and Futures Commission and the Guideline to sponsors, underwriters and placing agents involved in the listing and placing of GEM stocks will become effective on 5 August 2022.

Anti-money laundering

We issued consultation conclusions in September on proposed amendments to our anti-money laundering and counter-financing of terrorism (AML/CFT) guidelines. The amendments aim to align the guidelines with the Financial Action Task Force's standards. They include additional guidance to facilitate the implementation of risk-based AML/CFT measures and help firms assess and manage the risks of cross-border correspondent relationships² more effectively. The revised guidelines came into effect on 30 September, except for the new requirements for cross-border correspondent relationships, which will take effect on 30 March 2022.

COVID-19 response

On 1 November, the Government announced that quarantine exemption arrangements would be tightened with effect from 12 November and we issued a circular on the cancellation of the compulsory quarantine exemption scheme for senior executives of licensed corporations, the details of which were set out in circulars we issued in May and June.

Licensees and registrants

	As at 30.9.2021	As at 31.3.2021	Change (%)	As at 30.9.2020	YoY change (%)
Licensed corporations	3,180	3,159	0.7	3,122	1.9
Registered institutions	111	115	-3.5	113	-1.8
Licensed individuals	45,073	43,904	2.7	43,813	2.9
Total	48,364	47,178	2.5	47,048	2.8

¹ The figure does not include applications for provisional licences. See the table on licensing applications on page 7 for details.

² Financial institutions will be required to apply additional due diligence and risk mitigating measures for business relationships in the securities sector which are similar to cross-border correspondent banking relationships, eg, in instances where a Hong Kong securities broker executes trades for an overseas broker which acts for its own local customers.

Intermediaries

Licensing applications

	Quarter ended 30.9.2021	Six months ended 30.9.2021	Six months ended 30.9.2020	YoY change (%)
Applications to conduct new regulated activity	7,702	13,272	8,650	53.4
Applications for SFC licences [^]	2,197	3,760	2,581	45.7

[^] Figures do not include applications for provisional licences. During the quarter, we received 1,682 provisional licence applications compared with 1,030 in the same quarter last year.

Intermediary inspections

	Quarter ended 30.9.2021	Six months ended 30.9.2021	Six months ended 30.9.2020	YoY change (%)
On-site inspections conducted [^]	66	137	154	-11

[^] Including inspections conducted remotely in light of the COVID-19 pandemic.

Products

Authorisations

During the quarter ended 30 September, we authorised 31 unit trusts and mutual funds (including 20 Hong Kong-domiciled funds), four mandatory provident fund (MPF) pooled investment funds and 73 unlisted structured investment products for public offering in Hong Kong.

OFC registrations

As of 30 September, we registered 27 open-ended fund companies (OFCs), of which 12¹ were new OFCs registered during the quarter.

Hong Kong-domiciled funds

Despite volatility in the local equity market, the assets under management (AUM) of Hong Kong-domiciled funds remained steady at around US\$191 billion as at 30 September and recorded net fund inflows of about US\$7 billion for the six months ended 30 September. During the same period, the number of firms licensed for Type 9 regulated activity increased 1% to 1,941.

Wealth Management Connect

On 10 September, the People's Bank of China (PBoC), Hong Kong Monetary Authority (HKMA) and the Monetary Authority of Macao announced the launch of the Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area. We have been working closely with HKMA, PBoC and other authorities since the establishment of the pilot scheme was announced in June 2020, providing input on the scheme's design and operations including the product scope and conduct-related matters.

Mutual Recognition of Funds (MRF)

Under the Mainland-Hong Kong MRF scheme, as of 30 September, we authorised a total of 48 Mainland funds (including two umbrella funds) whilst the China Securities Regulatory Commission approved 38 Hong Kong funds.

As of 30 September, the cumulative net subscription was about RMB946 million for Mainland funds and about RMB15.85 billion for Hong Kong funds. During the quarter, Mainland funds recorded a net subscription of about RMB172.31 million, up from RMB111.42 million

in the previous quarter. Hong Kong funds recorded a net redemption of about RMB539.11 million this quarter, down from a net subscription of about RMB1.32 billion last quarter.

Asset and Wealth Management Activities Survey

The *Asset and Wealth Management Activities Survey* for 2020, released in July, showed that Hong Kong experienced strong growth in asset management, fund advisory, private banking and private wealth management business, supported by strong net fund inflows.

Hong Kong's asset and wealth management business recorded a 21% year-on-year increase in AUM to \$34,931 billion as at the end of 2020. The AUM of the asset management and fund advisory business conducted by licensed corporations and registered institutions increased 20% to \$24,038 billion and the AUM of the private banking and private wealth management business grew 25% to \$11,316 billion. Net fund inflows of \$2,035 billion were recorded for the asset and wealth management business during 2020, accounting for 33% of the year-on-year increase in AUM.

New unauthorised CIS alert list

To enhance investor protection, we launched a new alert list on our website in August to warn the public about unauthorised investment arrangements suspected to be collective investment schemes (CIS), which may not be offered to the public in Hong Kong without the SFC's authorisation².

We liaised with the Consumer Council and the Estate Agents Authority (EAA) regarding the introduction of the list. Following the launch, the EAA issued a reminder to its licensed estate agents that the sale of certain real properties in Hong Kong may constitute a sale of interests in a CIS and advised them to check the alert list. We also worked with the Investor and Financial Education Council to raise public awareness of CIS and the risks of investing in unauthorised CIS.

¹ This figure includes 11 OFCs which are not authorised under section 104 of the Securities and Futures Ordinance (SFO) and hence may not be offered to the public in Hong Kong unless an exemption under the SFO applies.

² CIS offered to the Hong Kong public are subject to SFC authorisation under the SFO, unless exempted. In general, CIS must be sold by an intermediary licensed or registered with the SFC. Unauthorised CIS may generally be sold to professional investors only.

Products

Authorised collective investment schemes

	As at 30.9.2021	As at 31.3.2021	Change (%)	As at 30.9.2020	YoY change (%)
Unit trusts and mutual funds – Hong Kong-domiciled	852 ^a	835	2	800	6.5
Unit trusts and mutual funds – non-Hong Kong-domiciled	1,378	1,382	-0.3	1,375	0.2
Investment-linked assurance schemes	300	298	0.7	300	0
Pooled retirement funds	33	33	0	33	0
MPF schemes	26	27	-3.7	27	-3.7
MPF pooled investment funds	213	212	0.5	210	1.4
Others	25 ^b	25	0	25	0
Total	2,827	2,812	0.5	2,770	2.1

a This figure includes 108 approved pooled investment funds (retail APIFs) which MPFs may invest into and may also be offered to the public in Hong Kong.

b Comprising 13 paper gold schemes and 12 real estate investment trusts (REITs).

Authorised unit trusts and mutual funds domiciled in Hong Kong – fund flows by type^a (US\$ million)

For the six months ended 30 September, Hong Kong-domiciled funds reported overall net inflows of US\$7,131 million, which was primarily attributed to index funds and mixed funds.

	Six months ended 30.9.2021			Six months ended 31.3.2021			Six months ended 30.9.2020		
	Subscription	Redemption	Net subscription/ (redemption)	Subscription	Redemption	Net subscription/ (redemption)	Subscription	Redemption	Net subscription/ (redemption)
Bond	7,038	7,527	(489)	13,528	9,688	3,840	11,047	6,516	4,531
Equity	10,256	9,943	313	14,829	12,175	2,654	8,912	9,164	(252)
Mixed	6,855	4,028	2,827	5,522	4,316	1,206	2,401	3,284	(883)
Money market	9,653	9,657	(4)	10,258	9,385	873	8,612	8,409	203
Fund of funds ^b	1,287	1,785	(498)	1,414	1,763	(349)	1,486	1,695	(209)
Index ^c	19,587	14,602	4,985	21,666	20,361	1,305	17,437	13,849	3,588
Guaranteed	0	3	(3)	0	6	(6)	0	6	(6)
Total^b	54,676	47,545	7,131^d	67,217	57,694	9,523	49,895	42,923	6,972

a Based on data reported by funds domiciled in Hong Kong.

b From 31 March 2021 onwards, the amount of subscription and redemption of feeder funds whose master funds are authorised by the SFC has been excluded from the fund flows figures in the "Fund of funds" category. For comparison purposes, similar adjustments have been made to the fund flows figures for the six months ended 30 September 2020 and 31 March 2021 respectively.

c Including exchange-traded funds (ETFs) and leveraged and inverse products.

d This figure includes the net fund outflow of US\$622 million reported by retail APIFs which MPFs may invest into and may also be offered to the public in Hong Kong.

Products

Registered OFCs

	As at 30.9.2021	As at 31.3.2021	Change (%)	As at 30.9.2020	YoY change (%)
OFCs	27 [^]	13	107.7	6	350

[^] This figure includes 21 OFCs which are not authorised under section 104 of the SFO and hence may not be offered to the public in Hong Kong unless an exemption under the SFO applies.

Authorised unlisted structured investment products

	As at 30.9.2021	As at 31.3.2021	Change (%)	As at 30.9.2020	YoY change (%)
Unlisted structured investment products [^]	146	146	0	145	0.7

[^] On a "one product per key facts statement" basis, including equity-linked investments and deposits.

SFC-authorised renminbi investment products

	As at 30.9.2021
Unlisted products	
Unlisted funds primarily investing in the onshore Mainland securities markets ^a or offshore renminbi bonds, fixed-income instruments or other securities	53
Unlisted funds (non-renminbi denominated) with renminbi share classes	309
Paper gold schemes with renminbi features	1
Recognised Mainland funds under Mainland-Hong Kong MRF arrangement	48
Unlisted structured investment products issued in renminbi ^b	145
Listed products	
ETFs primarily investing in the onshore Mainland securities markets ^a or offshore renminbi bonds, fixed-income instruments or other securities	46
ETFs (non-renminbi denominated) with renminbi trading counters	12
Renminbi leveraged and inverse products	2
Renminbi gold ETFs ^c	1
Renminbi REITs	1

a Refers to onshore Mainland investments through the Qualified Foreign Investor, Stock Connect, Bond Connect and the China Interbank Bond Market.

b The number is on a "one product per key facts statement" basis.

c Only includes gold ETFs denominated in renminbi.

Markets

Supervision of HKEX

We closely monitor the operations and infrastructure-related initiatives of Hong Kong Exchanges and Clearing Limited (HKEX). During the quarter, HKEX revamped its securities market gateway, providing exchange participants with faster and more robust access to the trading system. In addition, HKEX improved the data centre infrastructure and facilities for the secondary system for cash market clearing.

Derivatives products

We approved three derivatives contracts proposed by HKEX to meet the trading and hedging needs of market participants. Hang Seng Index Futures Options and Hang Seng China Enterprises Index Futures Options commenced trading in August.

The MSCI China A50 Connect Index Futures contract, launched in October, provides an additional risk management tool for global investors to hedge exposures in China's A-share market. It also strengthens Hong Kong's

position as an internationally significant financial risk management centre and gateway to the Mainland market.

Investor identification

In August, we concluded a consultation on the Hong Kong investor identification regime and over-the-counter securities transactions reporting regime. We released implementation guidance in September and have been working with HKEX to prepare for the launch of the investor identification regime. We will also work with the Investor and Financial Education Council to promote investors' understanding of the regimes.

Automated trading services

As of 30 September, the number of automated trading services (ATS) providers¹ authorised under Part III of the Securities and Futures Ordinance (SFO) was 53, while 24 corporations, including 13 dark pool operators, were licensed under Part V of the SFO to provide ATS.

ATS providers

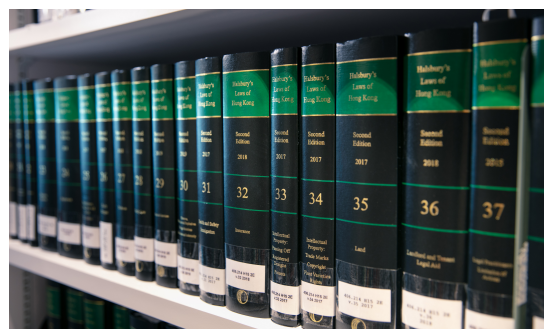
	As at 30.9.2021	As at 31.3.2021	Change (%)	As at 30.9.2020	YoY change (%)
Under Part III	53	51	3.9	52	1.9
Under Part V	24	24	0	23	4.3

¹ Under the SFO, two regimes regulate ATS providers. Typically, those that offer facilities similar to those of a traditional exchange or a clearing house are authorised under Part III of the SFO. Intermediaries which provide dealing services with ATS as an added facility are licensed under Part V of the SFO.

Enforcement

Court proceeding

In the Court of First Instance, we obtained a disqualification order under section 214¹ of the Securities and Futures Ordinance (SFO) against Lin Supeng, former executive director of Anxin-China Holdings Limited, from serving as a director or taking part in the management of any corporation in Hong Kong for eight years for failing to discharge his duties to ascertain the company's financial position.



Disciplinary actions

We disciplined two licensed corporations and five individuals during the quarter, resulting in total fines² of \$11.95 million.

Anti-money laundering regulatory breaches

Name	Breaches	Action
Budihardjo Wilhelm Soeharsono and Shing Yan	Failed to discharge their duties as members of senior management and responsible officers of Sino-Rich Securities & Futures Limited, which contributed to the firm's breaches of anti-money laundering and counter-terrorist financing (AML/CFT) regulatory requirements when handling cash deposits and third-party fund transfers	Suspended for 10 months and seven months, respectively
Leung Tak Shing, Raymond	Failed to discharge his duties as a member of the senior management of Yardley Securities Limited, which contributed to the firm's breaches of AML/CFT regulatory requirements when handling third-party fund transfers	Reprimanded and fined \$400,000

Internal control deficiencies

Company/Name	Breaches	Action
UBS AG and UBS Securities Asia Limited	Internal control failures concerning disclosures of interests in listed securities covered in UBS' research reports, telephone recordings of client instructions, know-your-client requirements in assessing clients' derivatives knowledge and product risk disclosures in the sale of a structured note to clients	Reprimanded and fined \$9.8 million and \$1.75 million, respectively

¹ Under section 214 of the SFO, the SFC may seek disqualification, compensation and other orders for breaches of duty by current and former directors of listed corporations.

² Fines paid by intermediaries in disciplinary actions go into the general revenue of the Government.

Enforcement

Other regulatory breaches

Company/Name	Breaches	Action
Lau Kwo	Made false representations in client account opening documents and conducted trades in client accounts without his employer's knowledge	Banned from re-entering the industry for 12 months
Cheung Man Chit	Submitted false client documents and information to his employers, transferred client money through his related bank accounts and conducted trades in a client's account without his employers' knowledge	Suspended for two years

Joint operations with the Police and ICAC

During the quarter, we conducted a joint search operation with the Commercial Crime Bureau (CCB) of the Hong Kong Police Force at the office of a listed company and the residences of its former senior executives in a case of suspected corporate fraud involving a total of \$450 million. Two persons were arrested by the Police during the operation for the alleged offences of conspiracy to defraud, theft and money-laundering.

We also conducted joint operations with the Independent Commission Against Corruption (ICAC) in two separate investigations where we searched the offices of listed companies and the premises of their related parties. One case involved a suspected ramp-and-dump market manipulation scheme and the other was related to suspicious money lending activities and possible misconduct by the company's management. The ICAC arrested six persons for suspected corruption offences under the Prevention of Bribery Ordinance during these operations.

Following a joint SFC-ICAC operation in 2017, four individuals, including two former senior executives of Convoy Global Holdings Limited, were charged by the ICAC and convicted at the District Court of conspiracy to defraud the company and its board of directors and shareholders as well as the Stock Exchange of Hong Kong Limited over the placement of bonds issued by Convoy Global.

Unregulated virtual asset platforms

In July, we issued a statement to clarify that no entity in the Binance group is licensed or registered to conduct regulated activities in Hong Kong. Binance has offered trading services in stock tokens³ in a number

of jurisdictions. Where stock tokens are "securities", it may be an offence to offer them to the Hong Kong public without the SFC's authorisation or registration. We warned investors to exercise extreme caution if they plan to invest in stock tokens offered on unregulated platforms.

Enforcement cooperation with the CSRC

Despite travel restrictions amidst the COVID-19 pandemic, the China Securities Regulatory Commission (CSRC) continued to provide efficient and effective investigatory assistance in high-impact cases during the quarter.

Together with the Enforcement Bureau of the CSRC, the CCB of the Hong Kong Police Force and the Securities Crime Investigation Department of the Ministry of Public Security of the People's Republic of China, we are exploring ways to facilitate cross-boundary enforcement collaboration on top priority cases on the basis of the consensus reached at our four-party meeting held in December 2020.

Market surveillance

Our surveillance of untoward price and turnover movements resulted in 2,733 requests for trading and account records from intermediaries in the quarter.

We published three high shareholding concentration announcements to remind investors to exercise caution when trading shares in companies where a small number of shareholders hold a high concentration of shares.

³ Stock tokens are virtual assets which are represented to be backed by depository portfolios of overseas listed stocks. The prices of the tokens closely track the performance of the stocks. In Hong Kong, stock tokens are likely to be "securities" under the SFO and if so, they are subject to the regulatory remit of the SFC.

Enforcement

Enforcement activities

	Quarter ended 30.9.2021	Six months ended 30.9.2021	Six months ended 30.9.2020	YoY change (%)
S179 ^a inquiries commenced	17	32	16	100
S181 ^b inquiries commenced (number of letters sent)	66 (2,733)	129 (5,052)	133 (4,783)	5.6
S182 ^c directions issued	97	126	86	46.5
Investigations started	68	130	90	44.4
Investigations completed	34	65	115	-43.5
Individuals and corporations charged in criminal proceedings	0	2	8	-75
Criminal charges laid	0	18	11	63.6
Notices of Proposed Disciplinary Action ^d issued	15	25	13	92.3
Notices of Decision ^e issued	8	15	19	-21.1
Individuals and corporations subject to ongoing civil proceedings ^f	178	178	155	14.8
Compliance advice letters issued	57	93	109	-14.7
Cases with search warrants executed	5	25	4	525

a Section 179 of the 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.

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

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

d 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.

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

f As of the last day of the period.

Regulatory engagement

IOSCO

We are actively involved in international policy making. Mr Ashley Alder, the SFC's Chief Executive Officer (CEO), chairs the Board of the International Organization of Securities Commissions (IOSCO). In September, Mr Alder chaired a special meeting of the IOSCO Board to discuss liquidity risks in open-ended funds and the resilience of money market funds.

During the quarter, we participated in meetings of the IOSCO Financial Stability Engagement Group (FSEG), including its Steering Group. The FSEG leads IOSCO's COVID-19 crisis responses related to financial stability issues.

Ms Julia Leung, our Deputy CEO and Executive Director of Intermediaries, is a Vice Chair of the IOSCO Sustainable Finance Task Force (STF) and co-leads a workstream on sustainability practices, policies, procedures and disclosure in asset management. We participate in the IOSCO STF Technical Expert Group which engages with the IFRS Foundation on the establishment of an International Sustainability Standards Board with a view to developing a global baseline for corporate sustainability reporting standards.

We are also a member of IOSCO's Retail Market Conduct Task Force, the Fintech Network, the Cyber Task Force and the Data Analytics Group.

We participate in all eight IOSCO policy committees, the Committee on Emerging Risks, the Assessment Committee and the Asia-Pacific Regional Committee (APRC). At the APRC meeting in September we presented on regulatory developments in sustainable finance in Hong Kong. In July, we participated in a meeting of the Assessment Committee which discussed a thematic review of liquidity risk management.

Mr Alder co-chairs the CPMI¹-IOSCO Steering Group which is involved in the regulatory policy work for the oversight and supervision of central counterparties and the application of the CPMI-IOSCO Principles for Financial Market Infrastructures to global stablecoin arrangements.

Financial Stability Board

In his role as IOSCO Board Chair, Mr Alder participated in Financial Stability Board (FSB) meetings including those of the Steering Committee, Plenary, Standing Committee on Supervisory and Regulatory Cooperation and Steering Committee Group on Non-bank Financial Intermediation. The discussions focused on financial stability, climate-related initiatives, asset management and issues arising from COVID-19. We are also actively involved in the work of the FSB Standing Committee on Standards Implementation.

Green and sustainable finance

In July, the Hong Kong Green and Sustainable Finance Cross-Agency Steering Group², co-chaired by the SFC and the Hong Kong Monetary Authority, announced the next steps to advance its collaborative strategy to bolster Hong Kong's position as a leader in green and sustainable finance and help transition the financial ecosystem towards carbon neutrality. As priorities, the steering group will focus on climate change reporting, carbon market opportunities, data and capacity building.

We participate in the International Platform on Sustainable Finance, which aims to harmonise taxonomies³ adopted by mainland China and the EU, as well as the Network of Central Banks and Supervisors for Greening the Financial System and the United Nations Sustainable Stock Exchanges Initiative Advisory Group.

Mainland China

During the quarter, we proactively advanced mutual market access cooperation initiatives with Mainland authorities and held regular discussions with the China Securities Regulatory Commission to enhance cross-boundary regulatory cooperation.

We worked closely with Mainland authorities to prepare for initiatives set out in the Greater Bay Area Development Plan, including Wealth Management Connect and Hong Kong-based financial institutions' business access to the Greater Bay Area. In September, we attended the first Guangdong-Hong Kong Financial Cooperation Seminar co-chaired by the Vice-Governor of Guangdong Province, Mr Zhang Xin, and the Financial Secretary, Mr Paul Chan.

1 Committee on Payments and Market Infrastructures.

2 Other members of the steering group include the Financial Services and the Treasury Bureau, Environment Bureau, Hong Kong Exchanges and Clearing Limited, Insurance Authority and Mandatory Provident Fund Schemes Authority.

3 Taxonomies provide a common reference point for the definition of investments which are considered to be environmentally sustainable.

Stakeholders

We engage with stakeholders proactively to help them understand our work and provide them with up-to-date regulatory information.

In November, we hosted the fourth SFC Regulatory Forum, a one-day event to facilitate the exchange of views amongst local and international senior policymakers, professionals and industry participants on Hong Kong's future development as China's international financial centre and other regulatory and topical issues. Over 1,100 senior representatives from the financial services industry, listed companies, industry organisations and regulatory bodies attended the forum.

At the Hong Kong Fintech Week 2021 in November, which we co-organised, our Deputy Chief Executive Officer and Executive Director of Intermediaries Ms Julia Leung delivered a speech on regulation and the development of financial technology. She also discussed the SFC's recent climate-related regulatory initiatives in interviews with local media.

During the quarter, our senior executives spoke at 14 local and international events including the Hong Kong Institute of Certified Public Accountants' "COP26: Race to Zero" webinars, ASIFMA¹ Compliance Week 2021 and the Green Way Forum hosted by the European Chamber of Commerce in Hong Kong. In an interview with the Hong Kong Securities Association's *Participants* publication, our Chief Executive Officer Mr Ashley Alder discussed the SFC's work priorities, including fostering closer cross-border collaboration with Mainland authorities and promoting Hong Kong's green and sustainable finance strategy.

We released the following publications in the quarter:

- The *Asset and Wealth Management Activities Survey 2020* provided a comprehensive overview of Hong Kong's asset and wealth management industry².
- The *Financial Review of the Securities Industry* provided statistics on the financial positions of securities dealers and securities margin financiers as well as the financial performance of SEHK³ participants in the first half of 2021.
- The *Half-yearly Review of the Global and Local Securities Markets* discussed the performance of major stock markets as well as risks and uncertainties facing Hong Kong and international markets in the first half of 2021.
- The September issue of the *Takeovers Bulletin* highlighted the public censure of BIT Mining Limited for breaching the rules on special deals.

We issued statements about Next Digital Limited and unregulated virtual asset platforms in the quarter. We also published 12 circulars providing guidance on a wide range of matters, including the implementation of the Hong Kong investor identification regime and over-the-counter securities transactions reporting regime, the management and disclosure of climate-related risks by fund managers and updates on anti-money laundering and counter-terrorist financing.

In September, we introduced a new "Suspected Unauthorised CIS Alert List" on our website to draw attention to suspected unauthorised CIS arrangements⁴. Investors are urged to be extremely careful if they plan to invest in an unauthorised investment scheme.

¹ The Asia Securities Industry & Financial Markets Association.

² See Products on page 8.

³ The Stock Exchange of Hong Kong Limited.

⁴ A collective investment scheme (CIS) may not be offered to the public in Hong Kong without the SFC's authorisation.

Stakeholders

Publications and other communications

	Quarter ended 30.9.2021	Six months ended 30.9.2021	Six months ended 30.9.2020	YoY Change (%)
Press releases	23	53	64	-17.2
Policy statements and announcements	2	3	7	-57.1
Consultation papers	0	1	3	-66.7
Consultation conclusions	3	4	4	0
Industry-related publications	4	5	7	-28.6
Codes and guidelines ^a	0	0	4	N/A
Circulars to industry	12	25	32	-21.9
Corporate website average daily page views ^b	27,681	27,688	40,456	-31.6
General enquiries	751	3,034	3,589	-15.5

a Includes updates to previous versions.

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