

# Operational Review

## Corporates

### Gatekeeping listing applications

For the year ended 31 December, we processed a total of 270 listing applications, including 153 new listing applications, down 31% and 24% year-on-year, respectively.

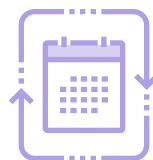
During the quarter, we processed 135 listing applications, of which we cleared 71. The processed applications included 18 new listing applications, of which one was from a company seeking listing by way of a de-SPAC transaction<sup>1</sup>, one from a specialist technology company and one from a pre-profit biotech company.

Exercising our powers under the Securities and Futures (Stock Market Listing) Rules, we issued a requisition letter directly to one listing applicant during the quarter. Our concerns were mainly about the accuracy and completeness of the information in the listing application.



**135**

listing applications  
processed<sup>2</sup> in the quarter



Average processing time:

**105**

business days<sup>3</sup>

The average processing time for 2023 was 108 business days<sup>4</sup>, down 11% from last year. During the quarter, the 71 cleared listing applications took an average of 105 business days<sup>4</sup> to process.

<sup>1</sup> A special purpose acquisition company (SPAC) raises funds through a 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.

<sup>2</sup> Including 18 new listing applications and 117 cases brought forward from the previous reporting period.

<sup>3</sup> For the 71 cleared cases of listing applications.

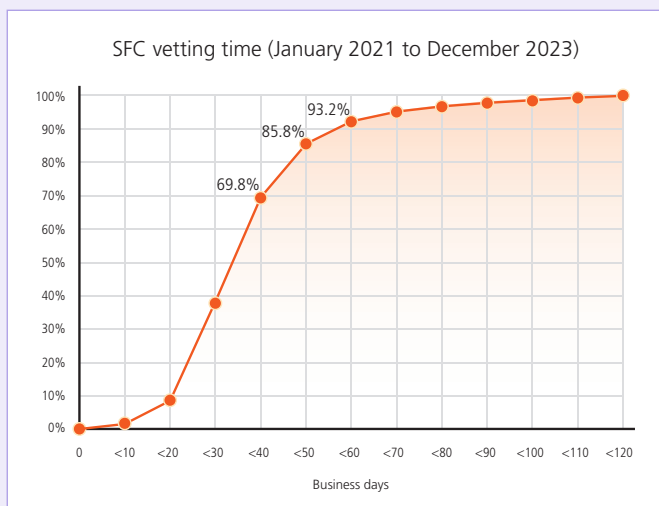
<sup>4</sup> Including the SFC's vetting time and the response time of the listing applicants or their advisers.

## Corporates

### Vetting time of listing applications

During the three years ended 31 December, we cleared 367 cases, 93% of which were cleared within 60 business days.

Note: In the chart, "SFC vetting time" refers to the total number of business days we spent to process and clear a listing application, which includes a number of rounds of comments. The figure excludes the response time of the listing applicants or their advisers.



### Launching new treasury shares regime

Working together with the SFC, the Stock Exchange of Hong Kong Limited (SEHK) launched a two-month consultation on introducing a listing regime governing treasury shares in October. Under the proposed regime, the Listing Rules requirement to cancel repurchased shares will be removed, ie, listed issuers will be able to keep the shares in treasury. SEHK also proposed to introduce safeguards to govern the resale of treasury shares to deter market manipulation.

### Review of GEM listing regime

Following the SFC's approval of relevant Listing Rules amendments, SEHK published its consultation conclusions on GEM listing reforms in December. With effect from 1 January 2024, GEM issuers are no longer required to announce their quarterly results. Also, a new alternative route for GEM listing and a new streamlined mechanism enabling transfer to the Main Board have been introduced.

### Facilitating secondary listing

After discussions with the SFC, SEHK added the main markets of the Saudi Exchange and the Indonesia Stock Exchange to the list of recognised stock exchanges in September and November 2023. As a result, Saudi- and Indonesia-listed companies meeting SEHK Main Board's initial listing criteria may apply to secondary list in Hong Kong.

### Tackling corporate misconduct

We review corporate announcements daily to identify potential misconduct and irregularities. During the quarter, we issued section 179 directions<sup>5</sup> to six issuers to request information.

### Listing applications and takeovers activities

	Quarter ended 31.12.2023	Nine months ended 31.12.2023	Nine months ended 31.12.2022	YoY change (%)
Listing applications	18	107	134	-20.1
Takeovers and share buy-backs transactions	75	253	241	5.0

<sup>5</sup> 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.

# Intermediaries

## Increase in licence applications

For 2023, we received around 7,200 licence applications comprising around 7,000 individuals and 185 corporations, a 16% increase from 2022<sup>1</sup>. Between October and December, we received 1,581 licence applications<sup>2</sup> comprising 1,530 individuals and 51 corporations, a 22% decrease from the previous quarter but an 8% increase from the same quarter last year. Furthermore, six virtual asset trading platforms (VATPs) submitted their corporate licence applications.

As at 31 December, there were 48,091 licensees and registrants, of which 3,257 were licensed corporations, 112 were registered institutions, and 44,722 individuals. The number of licensees and registrants remained stable compared to the same period of 2022. During the quarter, the number of new licensees and registrants totalled 2,415<sup>3</sup>, amongst which 2,359 were individuals, and 56 were licensed corporations and registered institutions. Among the 56 licensed corporation applications approved during the quarter, 88% of them applied for Type 9 (asset management) regulated activity (RA) and 66% applied for Type 4 (advising on securities) RA.



Applications for SFC licences

▲ 16%  
in 2023

## Embracing Fintech with investor safeguards

Over the years, the SFC has facilitated retail investors to trade different types of virtual assets (VA) and related products by enhancing investor protection measures. In October, the SFC refined its VA regulatory regime by revising the joint circular with the Hong Kong Monetary Authority (HKMA) on intermediaries' VA-related activities, which enabled retail investors to access VA dealing services and advisory services provided by SFC-regulated intermediaries. In December, the joint circular was further revised to set out requirements for SFC-regulated intermediaries involved in the distribution of investment

products with exposure to VAs, including SFC-authorised VA spot ETFs<sup>4</sup>. In addition, a new circular was issued to provide guidance on authorising investment funds with exposure to VA of more than 10% of their net asset value for public offering in Hong Kong, including VA spot ETFs.

In November, the SFC issued two other circulars to give guidance to the industry on tokenisation of traditional securities and SFC-authorised investment products. In these circulars, the SFC emphasised how traditional financial institutions should address and manage the risks arising from tokenisation. By providing a clear and consistent regulatory framework, we aim to support the industry to experiment with tokenisation with greater certainty.

## Joining forces to tackle fraud

To combat suspected fraudulent activities of suspicious VATPs in a more timely way, we established a joint working group with the Hong Kong Police Force (Police) in October to enhance collaboration in monitoring and investigating illegal activities involving or purporting to involve VAs or VATPs. In December, the SFC and the Police further implemented a twice-a-week information sharing protocol so as to promptly address potential fraud. Between October and December, the SFC raised public awareness by warning the public against five suspected cases of VA-related frauds and two suspected cases of investment product frauds through press releases, social media posts, posting of suspicious entities on the SFC's Suspicious VATP and Suspicious Investment Products alert lists, and press briefings. As a result of our concerted efforts, the Police expeditiously blocked access to websites of entities involved in suspected fraud at the SFC's request.

## Promoting Fintech development in Hong Kong

In October, the SFC attended the meeting of the Coordination Group on the implementation of Financial Technologies Initiatives chaired by Secretary for Financial Services and the Treasury. At the meeting, views on the development of Fintech in Hong Kong were shared and discussed. In late October, the SFC also attended the Panel on Financial Affairs of the Legislative Council to answer lawmakers' questions on VATP regulation.

<sup>1</sup> Change from calendar year 2022 to 2023. This does not include applications for provisional licences.

<sup>2</sup> The figure does not include applications for provisional licences.

<sup>3</sup> Including provisional licensed representatives.

<sup>4</sup> Exchange-traded funds.

## Intermediaries

The SFC also worked closely with the Financial Services and the Treasury Bureau and HKMA on the regulatory regime for stablecoins in Hong Kong. Further consultation on this subject was published by the Government in December.

To promote public understanding of Fintech such as VAs and Web 3.0, we spoke at close to 20 interviews, seminars and events organised by government authorities, international regulators, industry associations, media outlets and universities.

### Driving industry-wide sustainability initiatives

To help Hong Kong align with international best practices for environmental, social and governance (ESG) as recommended by the International Organization of Securities Commissions (IOSCO) and meet relevant expectations introduced in other major jurisdictions, we announced in October that we support and sponsor the development of the voluntary code of conduct (VCoC) for ESG ratings and data products providers. To this end, an industry-led working group, ie, the Hong Kong ESG Ratings and Data Products Providers VCoC Working Group, was established. The working group consists of members and observers from ESG ratings and data products providers, users, and covered entities. The SFC, the HKMA, the Insurance Authority and the Mandatory Provident Fund Schemes Authority sit as observers while the International Capital Market Association serves as the secretariat and will leverage its experience from relevant work in other jurisdictions.

### Regulating depositaries of SFC-authorised public funds

During the quarter, all depositaries of SFC-authorised collective investment schemes currently operating in Hong Kong submitted their Type 13 licence or registration applications to the SFC. We will continue to work closely with the industry to facilitate a smooth transition to the new regime, which will take effect on 2 October 2024.



52

on-site inspections

### Guiding market soundings practices for intermediaries

In October, we launched a consultation on a set of proposed guidelines for market soundings. The proposals aim to provide guidance to assist intermediaries in their compliance with the general principle of conducting their business honestly, fairly and in the best interests of their clients, as well as the integrity of the market during market soundings.

To understand current industry practices and related controls, we initiated a thematic review of market soundings in early 2022 to collect information through surveys on buy-side and sell-side intermediaries and focus group discussions. When drafting the guidelines, we also considered local and overseas market practices and regulatory requirements, in addition to information and preliminary feedback gathered from intermediaries in the thematic review. The consultation ended in December and we are analysing the responses.

### Enhancing distribution of SFC-authorised funds

In October, we issued a circular to summarise recent observations of licensed corporations' practices in offering and promoting SFC-authorised funds. The circular highlights the legal and regulatory requirements for distributors promoting SFC-authorised funds with additional returns or other incentives, which may divert the client's focus from properly considering the risks and features of the underlying funds.



## Intermediaries

### Strengthening risk management for IPO subscription services

In November, we issued a circular to remind licensed corporations to implement robust risk management measures for client credit risk control, funding arrangement, safeguarding of client subscription deposits, and financial assessment when providing initial public offering (IPO) subscription and financing services under Fast Interface for New Issuance.

### Combatting anti-money laundering

In November, we updated the anti-money laundering and counter-financing of terrorism (AML/CFT) self-assessment checklist to reflect the latest AML/CFT guidelines. The checklist provides a structured framework for licensed corporations, SFC-licensed VA service providers and associated entities to assess their compliance with the key requirements.

### Issuing restriction notices

In September, we issued a restriction notice to China Prospect Securities Limited which had a managerial vacuum, raising our concerns on the continued safeguarding and handling of its client assets.

In November, we issued a restriction notice to Profitech Securities Limited due to its breach of the Securities and Futures (Client Securities) Rules for a protracted period and our grave concern about its financial and operational viability. The restriction notice froze Profitech's house assets and required the broker to immediately rectify the breach and return all client assets in an orderly manner.

### Licensees and registrants

	As at 31.12.2023	As at 31.3.2023	Change (%)	As at 31.12.2022	YoY change (%)
Licensed corporations	3,257	3,254	0.1	3,253	0.1
Registered institutions	112	112	0.0	111	0.9
Licensed individuals	44,722	44,928	-0.5	45,314	-1.3
<b>Total</b>	<b>48,091</b>	<b>48,294</b>	<b>-0.4</b>	<b>48,678</b>	<b>-1.2</b>

### Licensing applications

	Quarter ended 31.12.2023	Nine months ended 31.12.2023	Nine months ended 31.12.2022 <sup>b</sup>	YoY change (%)
Applications to conduct new regulated activity	5,008	17,199	18,498	-7.0
Applications for SFC licences <sup>a</sup>	1,581	5,375	4,884	10.1

<sup>a</sup> Figures include applications under the SFO and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, excluding applications for provisional licences. During the quarter, we received 778 provisional licence applications under the SFO compared with 844 in the same quarter last year.

<sup>b</sup> Figures have been adjusted for the period.

### Inspections of licensed corporations

	Quarter ended 31.12.2023	Nine months ended 31.12.2023	Nine months ended 31.12.2022	YoY change (%)
On-site inspections commenced <sup>^</sup>	52	166	167	-0.6

<sup>^</sup> Including inspections conducted remotely in light of the COVID-19 pandemic.

# Products

## Developing fund market

### Preparation for integrated fund platform

The SFC has been working closely with Hong Kong Exchanges and Clearing Limited (HKEX) and other parties to implement an integrated fund platform (IFP) for retail fund distribution, after the HKSAR Government announced plans to set it up. The platform will provide a business-to-business service model initially and cover the front-to-back distribution lifecycle and value chain for distributing SFC-authorized funds in Hong Kong. The IFP is expected to generate new business opportunities in the Hong Kong retail fund market.

### Supporting new Capital Investment Entrant Scheme (New CIES)

The HKSAR Government announced details of the New CIES in December. Eligible collective investment schemes (CIS) will be among the financial assets allowed for investment by scheme applicants. These will cover various SFC-authorized and registered products, including funds, investment-linked assurance schemes (ILAS), real estate investment trusts and open-ended fund companies (OFC) which meet the requirements. The SFC will continue to support the Government's work to facilitate New CIES's implementation.

### Authorising novel ETFs

We authorised Asia's first and the world's largest exchange-traded fund (ETF) investing in Saudi Arabian listed stocks. Listed in November, the ETF tracks the FTSE Saudi Arabia Index and provides retail investors with exposure to Saudi Arabia.

We also authorised the first two active ETFs adopting covered call writing strategy in Hong Kong. Listed in early 2024, these ETFs invest in the constituent stocks of the Hang Seng Index and Hang Seng China Enterprises Index respectively, and sell call options on the respective reference index to receive premium from option buyers.

As at 31 December, 174 SFC-authorized ETFs were listed on the Stock Exchange of Hong Kong Limited (SEHK) (up 1% from a year ago), including 25 leveraged and inverse products, with total market capitalisation of \$383.6 billion (US\$49.1 billion). During the quarter, net inflows of \$34.3 billion (US\$4.4 billion) to these ETFs were recorded. In 2023, these ETFs recorded an average daily turnover of \$14.0 billion (US\$1.8 billion), up 17% from 2022, and net inflows of \$53.2 billion (US\$6.8 billion)<sup>1</sup>.

As at 31 December, eight ETFs are eligible for southbound trading. During the quarter, southbound ETF trading had an average daily turnover of \$2,603 million (US\$333 million), contributing 12% of the eligible Hong Kong ETFs' turnover.

### Southbound net subscriptions for Mutual Recognition of Funds (MRF)

Under the Mainland-Hong Kong MRF scheme, we had authorised 44 Mainland funds as at 31 December, whilst the China Securities Regulatory Commission had approved 38 Hong Kong funds. These compared to 47 Mainland funds and 37 Hong Kong funds as at 31 December 2022.

The cumulative net subscription amounted to about RMB1.02 billion for Mainland funds and about RMB17.44 billion for Hong Kong funds as at 31 December. During the quarter, Mainland funds recorded net redemptions of about RMB38.73 million and Hong Kong funds recorded net subscriptions of about RMB991.21 million.

### Authorising investment products

During the quarter, we authorised 32 unit trusts and mutual funds (including 15 Hong Kong-domiciled funds), five ILAS, seven mandatory provident fund (MPF) pooled investment funds and 66 unlisted structured investment products for public offering in Hong Kong.

### OFC registrations extended growth

As at 31 December, there were 244 registered OFCs, of which 57<sup>2</sup> were newly registered in the quarter. The number of registered OFCs in 2023 increased 118% year-on-year.

### Increase in net inflows into Hong Kong-domiciled funds

As at 31 December, there were 914 Hong Kong-domiciled funds, up 0.3% from a year ago. Their assets under management (AUM) increased 4.7% from the previous quarter and increased 4.9% year-on-year to \$1,353.7 billion (US\$173 billion). Net fund inflows of about \$33.5 billion (US\$4.3 billion) were recorded in the quarter, up 179.0% from the previous quarter. During the year, net fund inflows amounted to \$87.1 billion (US\$11.1 billion), up 92.9% year-on-year.

<sup>1</sup> Since the second quarter of 2023, market capitalisation and fund flow statistics are calculated based on units/shares of all ETFs held in Hong Kong. Prior to that, market capitalisation and fund flow statistics are calculated based on the total units/shares of ETFs, other than the SPDR Gold Trust.

<sup>2</sup> The figure includes 55 private OFCs.



## Products

### ESG funds up in both number and AUM

As at 31 December, there were 219 SFC-authorized ESG<sup>3</sup> funds with total AUM of \$1,325 billion (US\$170 billion), increasing 4.8% and 6.5% from the previous quarter, up 23.7% and 19.6% from 2022, respectively.

### Enhancing regulatory guidance to promote responsible development

During the quarter, we provided the industry with guidance on investment products, by setting out requirements in several circulars.

### Tokenisation of investment products

We guided that we would allow primary dealing of tokenised SFC-authorized products subject to additional safeguards. We will continue to engage with market participants on proper measures to address issues relating to secondary trading of tokenised SFC-authorized products. In addition, the first tokenised SFC-registered private OFC was launched in December.

### Virtual asset-related funds

We set out our requirements for authorising investment funds with exposure to virtual assets (VA) of more than 10% of their net asset values for public offering in Hong Kong, including VA spot ETFs. The requirements specify the eligible VA, platforms through which the funds should buy or sell VA, and entities which may take VA custody.

### Disclosing annualised returns for money market funds

We allowed SFC-authorized money market funds to present annualised returns for periods of less than one year in factsheets, marketing materials or other documents, subject to certain disclosure and other requirements. This was in response to the industry's request to provide more fund performance information to investors, and similar practices in a number of major jurisdictions were taken into account.

### Streamlined measures for SFC-authorized fund processing

We updated our guidance to set out a number of streamlined measures to enhance the operational efficiency and approval processes of SFC-authorized funds in implementing changes and fulfilling the disclosure and reporting requirements. These cover appointments of investment delegates, reporting of pricing errors and breaches by SFC-authorized UCITS<sup>4</sup> funds and other post-authorisation notifications.

### Cautioning the public of suspicious investment products

To provide early warning to investors, we expanded the scope of the Suspicious Investment Products Alert List on our website. The list now covers both CIS and structured products falling under the Securities and Futures Ordinance, but have not been authorised by the SFC for offering to the public in Hong Kong<sup>5</sup>. During the quarter, we cautioned the public against seven suspicious investment products through posting on the alert list, press releases and social media posts.

<sup>3</sup> Environmental, social and governance.

<sup>4</sup> Undertakings for Collective Investment in Transferable Securities.

<sup>5</sup> See Communications and Education on pages 28-30.

## Products

### Authorised CIS

	As at 31.12.2023	As at 31.3.2023	Change (%)	As at 31.12.2022	YoY change (%)
Unit trusts and mutual funds – Hong Kong-domiciled	914	913	0.1	911	0.3
Unit trusts and mutual funds – non-Hong Kong-domiciled	1,423	1,417	0.4	1,413	0.7
ILAS	318	305	4.3	302	5.3
Pooled retirement funds	32	32	0.0	32	0.0
MPF schemes	26	26	0.0	26	0.0
MPF pooled investment funds	197	221	-10.9	220	-10.5
Others	25	25	0.0	25	0.0
<b>Total</b>	<b>2,935</b>	<b>2,939</b>	<b>-0.1</b>	<b>2,929</b>	<b>0.2</b>

a This figure includes 113 approved pooled investment funds (retail APIFs) which MPFs may invest in and may also be offered to the public in Hong Kong.

b Comprising 14 paper gold schemes and 11 real estate investment trusts (REITs).

### Registered OFCs

	As at 31.12.2023	As at 31.3.2023	Change (%)	As at 31.12.2022	YoY change (%)
OFCs	244 <sup>a</sup>	131	86.3	112	117.9

<sup>a</sup> This figure includes 218 private OFCs.

### Authorised unlisted structured investment products

	As at 31.12.2023	As at 31.3.2023	Change (%)	As at 31.12.2022	YoY change (%)
Unlisted structured investment products <sup>a</sup>	277	231	19.9	234	18.4

<sup>a</sup> On a “one product per key facts statement” basis, including equity-linked investments and deposits.





## Products

### SFC-authorised renminbi (RMB) investment products

	As at 31.12.2023
<b>Unlisted products</b>	
Unlisted funds primarily investing in onshore Mainland securities markets <sup>a</sup> or offshore RMB bonds, fixed income instruments or other securities	58
Unlisted funds (non-RMB denominated) with RMB share classes	415
Paper gold schemes denominated in RMB	1
Recognised Mainland funds under Mainland-Hong Kong MRF arrangement	44
Unlisted structured investment products issued in RMB <sup>b</sup>	276
ILAS with policy currency in RMB	7
<b>Listed products</b>	
ETFs primarily investing in onshore Mainland securities markets <sup>a</sup> or offshore RMB bonds, fixed income instruments or other securities	52
ETFs (non-RMB denominated) with RMB trading counters and/or RMB share classes	25
RMB leveraged and inverse products	3
RMB gold ETFs <sup>c</sup>	1
RMB REITs	1

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

<sup>b</sup> The number is on a "one product per key facts statement" basis.

<sup>c</sup> Only includes gold ETFs denominated in RMB.

# Markets

## China treasury bond futures to launch

During the quarter, the SFC announced the upcoming launch of China treasury bond futures contracts in Hong Kong. This important risk management tool can facilitate further participation by offshore institutional investors in the Mainland treasury bond market and promote its healthy development. We are working closely with Hong Kong Exchanges and Clearing Limited (HKEX) on the launch. Its date and details will be announced when ready.

## Enhancing position limit regime

The enhanced position limit regime became effective on 22 December 2023. The amendments aim to clarify regulatory requirements related to funds, facilitate compliance and provide more flexibility to the market. The key enhancements include raising the statutory position limits for stock futures, stock options and USD/CNH contracts, expanding the list of “specified contracts” for granting excess position limits, as well as clarifying the application of the laws to the asset managers of funds or sub-funds of umbrella funds. The SFC published an FAQ and updated the related guidance note to help market participants understand the enhancements.

## Stock Connect momentum continues

Stock Connect continued to account for an important share of stock market turnover. In 2023 (calendar year), daily northbound (NB) trading averaged RMB108.3 billion (6.2% of Mainland market turnover), up 8% from RMB100.4 billion in 2022 (5.4% of market turnover). During the quarter, the NB average daily turnover was RMB108.4 billion, slightly higher than RMB106.1 billion in the previous quarter. On the other hand, daily southbound (SB) trading averaged \$31.1 billion in 2023 (14.8% of Hong Kong market turnover), similar to \$31.7 billion in 2022 (12.7% of market turnover). During this quarter, SB average daily turnover was \$28 billion, similar to the \$29 billion in the previous quarter. Both NB and SB trading recorded net buys in 2023, with RMB43.7 billion for NB (RMB90 billion in 2022) and RMB292.9 billion for SB (RMB339.4 billion in 2022).

In addition, the Mainland stock exchanges have implemented programme trading reporting rules for A-share trading, which exclude programme trading conducted through northbound trading links. The SFC and the China Securities Regulatory Commission have agreed to work out a separate arrangement for reporting programme trading under northbound trading links.

## Uncertificated securities market (USM) consultation to close

In October, we published a consultation paper on the proposed amendments to code and guidelines relating to the regulation of approved securities registrars under the USM environment. This consultation followed the SFC’s earlier consultation in March on proposed subsidiary legislation to implement a USM regime. It also covered further amendments to the Stamp Duty Ordinance. We aim to publish a consultation conclusions paper in the first half of 2024.

## Monitoring launch of Fast Interface for New Issuance (FINI)

We closely monitored HKEX’s preparations for FINI, which was launched on 22 November. It is a new digital platform which will streamline the settlement process for new listings in Hong Kong and shorten the time between initial public offering (IPO) pricing and trading, driving efficiency and bolstering Hong Kong’s position as a capital raising centre. The overall IPO listing and settlement operations have run smoothly since its launch.

## Legislative amendments to Clearing Rules for OTC derivatives

Following our market consultation on proposed amendments to the Clearing Rules<sup>1</sup> for the over-the-counter (OTC) derivative transactions, the legislative amendments were introduced to the Legislative Council in November. With the legislative process now complete, the amendments will take effect on 1 July 2024. The amendments are in line with the global interest rate benchmark reform.

<sup>1</sup> The Securities and Futures (OTC Derivative Transactions – Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules.

## Markets

### Automated trading services

As of 31 December, there were 53 automated trading services (ATS) providers<sup>2</sup> authorised under Part III of the Securities and Futures Ordinance (SFO), while 30 corporations, including 13 dark pool operators, were licensed under Part V of the SFO to provide ATS.

### ATS providers

	As at 31.12.2023	As at 31.3.2023	Change (%)	As at 31.12.2022	YoY change (%)
Under Part III	53	51	3.9	51	3.9
Under Part V	30	28	7.1	27	11.1

<sup>2</sup> 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

## Combatting market misconduct

### Monitoring the market

Our surveillance of untoward price and turnover movements led to 1,256 requests for trading and account records from intermediaries during the quarter. We also assessed 58 notifications from intermediaries<sup>1</sup> regarding suspicious equity and derivative trading.

We published one announcement about high shareholding concentration to caution investors about trading in the shares of a company that are highly concentrated in a small number of shareholders.

### Counteracting insider dealing and market manipulation

The Eastern Magistrates' Court sentenced Wong Pak Wai to 240 hours of community service after he pleaded guilty to insider dealing in the shares of Elec & Eltek International Company Limited. He was ordered to pay a fine of \$25,000 and our investigation costs.

The Court of Final Appeal unanimously dismissed the appeal by six suspected overseas manipulators concerning service out of the jurisdiction<sup>2</sup>. The appeal arose from legal proceedings under section 213 of the Securities and Futures Ordinance (SFO) brought by the SFC in a case of alleged false trading in the shares of Ching Lee Holdings Limited through a large-scale, sophisticated scheme. As a result of these proceedings, we obtained from the Court of First Instance (CFI) injunctions to freeze the assets held by 15 local and overseas entities.

### Tackling corporate fraud and related misbehaviour

The Market Misconduct Tribunal (MMT) sanctioned Mayer Holdings Limited (Mayer) and nine of its former senior executives for failing to make timely disclosure of inside information as required under the SFO. The MMT ordered them to pay a total fine of \$4.65 million. The nine former senior executives were also disqualified for

20-30 months and ordered to attend an SFC-approved training programme on compliance with corporate disclosure requirements, directors' duties and corporate governance. The MMT further recommended the Accounting and Financial Reporting Council (AFRC) to discipline Mayer's former company secretary and financial controller.

We obtained disqualification and compensation orders in the CFI against Tse On Kin, the former chairman and executive director of Kong Sun Holdings Limited (Kong Sun) and China Sandi Holdings Limited. He admitted that he devised a fraudulent scheme to conceal his interests in the companies' share placements and obtained a secret profit. Tse was disqualified for 10 years and ordered to pay Kong Sun the profit that he made in breach of his fiduciary duty owed to it (about \$2.2 million) and our costs in the proceedings.

We obtained an order in the CFI to disqualify Nicholas Chiu Sai Chuen for three years. The former independent non-executive director of China Candy Holdings Limited acted negligently in discharging his duties as director. Chiu was also ordered to pay our costs in the proceedings.

In a case where we commenced legal proceedings against Leung Anita Fung Yee Maria, a former chief executive officer and executive director of SMI Culture & Travel Group (SMI Culture), to seek a compensation order for losses suffered by SMI Culture as a result of a fraudulent scheme, we applied to the CFI and obtained an undertaking by Leung in October. She undertook not to complete the sale and purchase of her two properties in Shanghai and Canada until our injunction application against the disposal of her assets is determined. This undertaking was given subsequent to the SFC obtaining an interim notification injunction order against Leung in September. Her assets had been preserved for satisfying possible compensation orders imposed by the court after the conclusion of the SFO section 214 proceedings brought by us.

<sup>1</sup> Intermediaries are required to report clients' suspected market misconduct to the SFC.

<sup>2</sup> As the suspected overseas manipulators are overseas nationals or entities incorporated outside Hong Kong, we have obtained leave for service out of the jurisdiction from the CFI. The overseas manipulators then made several applications to challenge the CFI's leave for us to serve them out of the jurisdiction. In October, the Court of Final Appeal held that leave to serve out of jurisdiction is not required in the present case.

## Enforcement

### Acting against intermediary misconduct

#### Disciplinary actions against intermediaries

During the quarter, we disciplined three corporations and four individuals, resulting in total fines<sup>3</sup> of \$9 million.

Key disciplinary actions include the following:

#### Sponsor failures

Name	Breaches	Action
Ivan Chan Chuk Cheung	Failed to discharge his duties as a sponsor principal of Changjiang Corporate Finance (HK) Limited in charge of five listing applications to list on the Stock Exchange of Hong Kong Limited	Banned from re-entering the industry for seven years

#### Anti-money laundering and counter-terrorist financing regulatory breaches

Company	Breaches	Action/Fine
Lion Futures Limited	Failed to comply with anti-money laundering and counter-terrorist financing and other regulatory requirements	Reprimanded and fined \$2.8 million

#### Other regulatory breaches and criminal convictions

Company/Name	Breaches/Convictions	Action/Fine
Hau Bing Leung	Allowed a third party to operate a client's account without the client's written authorisation and carried out personal trades in the client's account	Suspended for 15 months
Central Wealth Securities Investment Limited	Failed to comply with the Securities and Futures (Financial Resources) Rules	Reprimanded and fined \$1 million
Amy Chow Bik Sum	Conviction of bribery offence	Banned from re-entering the industry for life
Ruifeng Securities Limited (RSL)	Failures relating to its fund management activities and account opening procedures	Reprimanded and fined \$5.2 million
Fang Zhi	Failed to discharge his duties as a responsible officer of RSL in charge of fund management activities	Suspended for 10 months

<sup>3</sup> Fines paid by intermediaries in disciplinary actions go into the general revenue of the Government.

## Enforcement

### Other notable cases

In June 2022, the Court ordered Maxim Capital Limited and Maxim Trader to pay qualifying investors of the Maxim Fund, following legal proceedings brought by the SFC under section 213 of the SFO. On 25 September 2023, the CFI allowed our application to extend the cut-off date for investors to make claims relating to investment schemes operated by Maxim Capital Limited and Maxim Trader in Hong Kong by 30 November 2023. The original cut-off date was 23 July 2022.

We commenced legal proceedings in the CFI under section 214 of the SFO against the following individuals:

- to seek disqualification orders against eight current or former directors of FingerTango Inc. and a compensation order against six of them for allegedly committing corporate misconduct and breaching their duties towards the company; and
- to seek disqualification orders against five former directors and a former de facto director of First Credit Finance Group Limited for breaching their fiduciary duties owed to the company.

We commenced legal proceedings in the CFI to inquire into non-compliance by AMTD Global Markets Limited<sup>4</sup> and its former executives with notices issued under section 183 of the SFO concerning initial public offerings-related investigations.

In a case where we commenced legal proceedings to seek disqualification orders against the former chairman and two other former executive directors of Tech Pro Technology Development Limited for breaching their duties owed to the company, we have set the case down for trial in the CFI.

### Restriction notice

We issued a restriction notice to a broker prohibiting it from dealing with or processing certain assets held in a client account which is related to suspected insider dealing.

### Tripartite operation with ICAC and AFRC

We conducted the first tripartite operation with the Independent Commission Against Corruption (ICAC) and the AFRC against two Hong Kong-listed companies on suspected fictitious corporate transactions totalling \$193 million. A total of 16 premises were jointly searched and three persons, including an executive director of a listed company, were arrested by the ICAC for suspected offences under the Prevention of Bribery Ordinance. The investigations are ongoing.

<sup>4</sup> Currently known as orientiert XYZ Securities Limited.



## Enforcement

### Enforcement activities

	Quarter ended 31.12.2023	Nine months ended 31.12.2023 <sup>g</sup>	Nine months ended 31.12.2022	YoY change (%)
S179 <sup>a</sup> inquiries commenced	6	29	26	11.5
S181 <sup>b</sup> inquiries commenced (number of letters sent)	49 (1,256)	146 (3,499)	133 (4,687)	-25.3
S182 <sup>c</sup> directions issued	41	136	97	40.2
Investigations started	42	136	101	34.7
Investigations completed	48	130	145	-10.3
Individuals and corporations charged in criminal proceedings	0	20	8	150.0
Criminal charges laid	0	46	95	-51.6
Notices of Proposed Disciplinary Action <sup>d</sup> issued	7	21	19	10.5
Notices of Decision <sup>e</sup> issued	9	24	22	9.1
Individuals and corporations subject to ongoing civil proceedings <sup>f</sup>	205	205	167	22.8
Compliance advice letters issued	41	117	85	37.6
Cases with search warrants executed	8	20	26	-23.1

<sup>a</sup> 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.

<sup>b</sup> 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.

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

<sup>d</sup> 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.

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

<sup>f</sup> As of the last day of the period.

<sup>g</sup> Figures have been adjusted for the period.



# Sustainability

## Spearheading international work

At the International Organization of Securities Commissions (IOSCO), our Chief Executive Officer Ms Julia Leung is the Vice-chair of the Sustainable Finance Task Force (STF). She also co-chairs the Corporate Reporting Workstream under the STF. The workstream has been promoting the use of the IFRS Sustainability Disclosure Standards<sup>1</sup> published by the International Sustainability Standards Board (ISSB) amongst its members, and leading its continued engagement with the ISSB and other international stakeholders. It has also been spearheading work on sustainability assurance, and issued a statement during the quarter to welcome the International Auditing and Assurance Standards Board's consultation on its Proposed International Standard on Sustainability Assurance 5000.

During the quarter, we participated in an STF meeting to discuss the IFRS Sustainability Disclosure Standards, sustainability assurance and transition plans. As an active member of all other IOSCO STF workstreams, we contributed to the consultation report on voluntary carbon market and the final report on supervisory practices to address greenwashing. Both reports were published in December.

At the regional level, Ms Christine Kung, our Senior Director and Head of International Affairs and Sustainable Finance, leads the Sustainable Finance Working Group of the IOSCO Asia-Pacific Regional Committee. This group promotes knowledge sharing and capacity building on corporate sustainability disclosures and carbon markets in the region.

In addition, we continued to participate actively in other international initiatives<sup>2</sup> to advance sustainable finance during the quarter.

## Driving climate-related disclosures

We have signed the ISSB's COP28 Declaration of Support, building on our earlier support of the IFRS Sustainability Disclosures Standards. The ISSB has been collaborating with corporates, regulators, standard setters and other stakeholders to advance the global adoption or use of its climate-related reporting standards.

We engage with the China Securities Regulatory Commission to ensure that our approach to climate reporting considers the Mainland's pace of regulatory developments, given the large proportion of Mainland-based listed companies in Hong Kong.

In November, the Stock Exchange of Hong Kong Limited (SEHK) announced the postponement of the implementation date of its new climate-related disclosure requirements from 1 January 2024 to 1 January 2025. In finalising the requirements, SEHK will take into account the market feedback on its consultation, the final ISSB standards and the adoption guide to be issued by the ISSB to support jurisdictional implementation of the standards.

The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group)<sup>3</sup>, co-chaired by the SFC and the Hong Kong Monetary Authority, has set up a new working group on sustainability disclosures. Co-chaired by the SFC and the Financial Services and the Treasury Bureau, this working group is working towards developing a comprehensive Hong Kong roadmap on adopting the IFRS Sustainability Disclosure Standards as appropriate. Related work is in progress<sup>4</sup>.

<sup>1</sup> In July, the SFC welcomed IOSCO's endorsement of the IFRS Sustainability Disclosure Standards published by the ISSB.

<sup>2</sup> We are a supporter of the Task Force on Climate-Related Financial Disclosures Recommendations, a member of the International Platform on Sustainable Finance, and a member of the Consultative Group of the United Nations Sustainable Stock Exchanges Initiative (SSE). We also participate in the SSE's Advisory Group on Carbon Markets.

<sup>3</sup> The Steering Group was established in May 2020. Other members include the Accounting and Financial Reporting Council, Financial Services and the Treasury Bureau, Environment and Ecology Bureau, Hong Kong Exchanges and Clearing Limited, Insurance Authority and Mandatory Provident Fund Schemes Authority.

<sup>4</sup> On 8 January 2024, the Steering Group announced its work progress and next steps.



## Sustainability

In November, the SFC held its inaugural Forum on Sustainability Disclosures to build industry preparedness and awareness of sustainability reporting against international standards. We gathered market views on developing a sustainability disclosure ecosystem for Hong Kong. More than 200 leaders from the financial industry, listed companies, industry associations and policymakers from Hong Kong, the Mainland and the Asia-Pacific region attended the forum.



Keynote speakers and panellists at the Forum on Sustainability Disclosures

### Other local policy initiatives

In October, we announced our support and sponsorship for developing a code of conduct for voluntary adoption by environmental, social and governance (ESG) ratings and data products providers providing products and services in Hong Kong via an industry-led working group<sup>5</sup>. This initiative is aimed to promote the best practices recommended by IOSCO<sup>6</sup> in Hong Kong and help strengthen the transparency, quality, and reliability of ESG information used by licensed corporations in their investment decisions.

<sup>5</sup> Namely the Hong Kong ESG Ratings and Data Products Providers Voluntary Code of Conduct Working Group, which is convened and led by the International Capital Market Association as the Secretariat.

<sup>6</sup> IOSCO issued its Final Report on Environmental, Social and Governance Ratings and Data Product Providers in November 2021.

# Regulatory Engagement

## Stepping up global regulatory collaboration

### IOSCO

We contribute to all eight policy committees of the International Organization of Securities Commissions (IOSCO) and hold leadership positions in the Committee on Investment Management and the Committee on Enforcement and the Exchange of Information. During the quarter, our Director of Enforcement Mr Kenneth Lai was appointed a member of the IOSCO MMoU<sup>1</sup> Monitoring Group Steering Committee for 2023-24.

In October, our Chief Executive Officer Ms Julia Leung and senior executives participated in a meeting of the IOSCO Board in Madrid, Spain. Members discussed and reached decisions on issues around sustainable finance, crypto and digital assets, financial stability, and retail investor protection. We also participated in meetings of the IOSCO Committee on Emerging Risks, Fintech Task Force, Sustainable Finance Task Force, and Financial Stability Engagement Group during the quarter.

Ms Christina Choi, our Executive Director of Investment Products, is serving a second term as Chair of the Committee on Investment Management, and leads the committee's core expert group. The group helped prepare the final Guidance on Anti-dilution Liquidity Management Tools to effectively implement the Recommendations for Liquidity Risk Management for Collective Investment Schemes, published in December.

In addition, we hosted a three-day event for IOSCO's Committee on Investment Management during the quarter. It was attended by over 30 representatives from IOSCO members. Two roundtables on valuation were held with academics, auditors and fund industry participants to discuss how asset managers may deal with valuation uncertainty, as well as related industry practices and recent market developments. These were followed by meetings of committee members to discuss the IOSCO report on liquidity management tools for open-ended funds and the workplan.



Meeting of IOSCO's Committee on Investment Management in Hong Kong

As a core member of the Steering Group for the Fintech Taskforce of IOSCO, we took an active part in drafting the IOSCO Policy Recommendations for Crypto and Digital Asset Markets and the IOSCO Policy Recommendations for Decentralized Finance. The two documents were published in November and December respectively.

To enhance regulatory cooperation, our Director of Licensing and Head of Fintech unit Ms Elizabeth Wong discussed policy developments in crypto-assets at an IOSCO-FSI<sup>2</sup> conference on securities trading issues and market infrastructure. She also spoke on virtual asset regulation at a PIFS<sup>3</sup>-IOSCO Virtual Seminar for Senior Securities Regulators.

### FSB

Ms Christina Choi also co-chairs the Open-ended Funds Working Group under the Financial Stability Board (FSB) Standing Committee on Supervisory and Regulatory Cooperation. FSB issued in December its revised policy recommendations to address structural vulnerabilities from liquidity mismatch in open-ended funds.

In November, Mr Rico Leung, our Executive Director of Supervision of Markets, and other senior SFC representatives participated in a meeting of the FSB Regional Consultative Group for Asia held in Hong Kong. The group discussed recent financial market developments and their impact on the region, vulnerabilities arising from non-bank financial intermediation, and promoting effective regulation and supervision of crypto-asset related risks.

<sup>1</sup> Multilateral Memorandum of Understanding.

<sup>2</sup> Financial Stability Institute.

<sup>3</sup> The Program on International Financial Systems.

## Regulatory Engagement

During the quarter, Mr Leung and SFC representatives also participated in a meeting of the FSB Standing Committee on Standards Implementation to discuss the progress on country and thematic peer reviews.

### Supervisory colleges

To maintain effective supervision of global systemically important financial institutions, we actively participated in supervisory colleges held in London and New York to share intelligence and exchange views with other global regulators regarding the business, conduct and financial risks and issues of these firms.

### Advancing Mainland-Hong Kong cooperation

In December, we held the 14th regulatory high-level meeting with the China Securities Regulatory Commission (CSRC) in Tianjin to discuss the latest development of the capital markets, recent achievements in cross-boundary regulatory cooperation, and ongoing market development and regulatory cooperation initiatives. We and the CSRC reached consensus on further enhancing and expanding the Mainland-Hong Kong mutual market access schemes, including Stock Connect and Wealth Management Connect. We also agreed to further explore new initiatives to promote the healthy development of the Mainland and Hong Kong capital markets.

In November, Ms Julia Leung spoke at the 2023 Financial Street Forum to introduce Hong Kong's listing regime, post-listing regulation and enforcement action, as well as the regulatory reforms launched by the SFC in recent years.

During the quarter, we visited the CSRC, National Administration of Financial Regulation and State Administration of Foreign Exchange in Beijing to exchange views on the latest economic and market conditions. We also discussed the development of various mutual market access schemes, including enhancements to ETF Connect, inclusion of real estate investment trusts under Stock Connect and expansion of the Cross-boundary Wealth Management Connect pilot scheme. In addition, we joined the Hong Kong delegation to the third Belt and Road Forum for International Cooperation held in Beijing in October.

In November, we held the 15th regular high-level meeting on enforcement cooperation with the CSRC in Chengdu. During the meeting, in addition to exchanging views on enforcement priorities, trends and progress and taking stock of successful outcomes in enforcement cooperation this year, we had in-depth discussions on enhancing coordination and cooperation mechanisms to more effectively combat cross-boundary securities crimes and misconduct. We also shared investigation progress on important cases involving cross-boundary investigatory assistance to facilitate cooperation on work related to anti-money laundering. Also, senior representatives of the SFC, the CSRC, the Economic Crime Investigation Department of the Mainland Ministry of Public Security and the Commercial Crime Bureau of the Hong Kong Police Force met to discuss strengthening law enforcement cooperation against securities and economic crimes under respective legal remits.



The 14th Mainland and Hong Kong Regulatory High-level Meeting

## Regulatory Engagement

At the same time, we held a three-day joint enforcement training event with the CSRC, which marked the first in-person joint training since the pandemic. The training was attended by more than 50 enforcement officers from the SFC, the Independent Commission Against Corruption, the Hong Kong Police Force and the Accounting and Financial Reporting Council, as well as more than 90 enforcement officers from the CSRC, its regional offices and Mainland public security authorities. The training covered wide-ranging topics, including cross-divisional collaboration on intelligence analysis and investigation, investigative methods and strategies for tackling listed company fraud and disclosure offences, market manipulation and intermediary misconduct.

In November, we held the 15th bilateral regulatory meeting with the Financial Supervisory Commission of Taiwan, China, where views on regulatory development of virtual assets, exchange-traded funds and sustainable finance were exchanged.



The 15th Mainland and Hong Kong high-level meeting on enforcement cooperation and four-party meeting across the boundary



# Communications and Education

We have stepped up our communications and investor education efforts through a range of publicity activities to keep pace with market developments.

## Proactive communications keep investors informed

To disseminate information in a clear, transparent and timely manner, we enhanced the SFC website to consolidate all investor alerts and make them more easily accessible to the public. In addition, we informed the public of updates to the Alert List through press releases and social media posts to promote awareness.

During the quarter, five suspicious virtual asset trading platforms (VATPs) and seven suspicious investment products were added to the Alert List.

In addition, we launched the SFC's official YouTube channel in October to expand our online communication toolkit and broaden our reach to public investors.

Our videos cover a range of topics such as our policy initiatives, executives' speeches at industry events, as well as alerts to investors.

We also leverage various social media platforms to promote awareness and bring the public's attention to our scam alerts, executive speeches and major initiatives such as sustainable finance. More than 70 posts were issued in the quarter.

As part of our outreach efforts to promote public understanding of Fintech, we spoke at close to 20 interviews, seminars and events organised by government authorities, international regulators, industry associations, media outlets and universities. These included an interview with our Director of Licensing and Head of Fintech unit Ms Elizabeth Wong in support of the World Investor Week, and the interview was about the new VATP licensing regime and the risks of trading on unregulated platforms.

## Wider publicity, better education

To raise the public's awareness towards financial scams and the risks of trading on unregulated VATPs, we launched an advertising campaign on multiple channels, spanning radio, buses and online banners. Through these advertisements, we highlighted the investor alerts against scams and the list of licensed VATPs, both available on the SFC website. For instance, our bus-body advertisement (as shown in photo) cautions the public about the pitfalls of obtaining "investment tips" on instant messaging apps.

In addition, we supported the anti-scam carnival organised by the Hong Kong Police Force's Anti-Deception Coordination Centre in December. The full-day fun fair, which featured interactive games and educational activities, was well attended by over 3,000 members of the public, including families and many children.



Raising public awareness towards financial scams through advertising and public event

## Communications and Education

### Market outreach to promote policy initiatives

We are proactive in explaining our policy initiatives through industry events and other engagements. During the quarter, our senior executives spoke at over 30 local and international events covering Fintech, sustainable finance and other topics. We were a supporting organisation for five industry events.

### Industry events and interviews

In November, we co-hosted the “Conversations with Global Investors” seminar with the Hong Kong Monetary Authority and the Hong Kong Academy of Finance. Held under the theme “Living with Complexity”, the seminar featured 20 global leading investors who shared their investment insights and latest approaches to navigate a challenging landscape. Over 300 overseas and local business leaders attended the seminar, which was the concluding event of the three-day Global Financial Leaders’ Investment Summit.



The “Conversations with Global Investors” seminar gathered world financial leaders to share their investment insights

Promoting Fintech is a core objective of our outreach. We co-organised Hong Kong FinTech Week 2023 in November. Highlighting tokenisation as a key topic, our Chief Executive Officer (CEO) Ms Julia Leung discussed the SFC’s vision of building a pathway for the Fintech industry to flourish in Hong Kong. Our Interim Head of Intermediaries Mr Keith Choy moderated a panel joined by esteemed members of the industry. They shared their experience and insights on the future of financial technology.

In addition, to engage with the virtual asset industry in international markets, our Director of Licensing and Head of Fintech unit Ms Wong spoke at a webinar on regulating virtual asset activities in Hong Kong organised by the Hong Kong Economic and Trade Office in San Francisco.

On the sustainability front, which is another area we champion, we held our inaugural Forum on Sustainability Disclosures to gather market views on developing a sustainability disclosure ecosystem for Hong Kong<sup>1</sup>.

Our Chairman Mr Tim Lui highlighted the importance for companies operating and raising capital in Hong Kong to be familiar with the inaugural IFRS Sustainability Disclosure Standards when speaking at conferences organised by the Hong Kong Trade Development Council and the World Green Organisation respectively.

In an October interview with the Hong Kong Institute of Certified Public Accountants’ (HKICPA) publication *A Plus*, Mr Lui discussed the roles certified accountants should play in sustainable development and, more broadly, how Hong Kong can maintain its status as a global financial centre. He also shared his insights with the *Society of Chinese Accountants and Auditors’ Journal* in November.



Our Chairman Mr Tim Lui discusses Hong Kong as a global financial centre in an HKICPA interview

<sup>1</sup> See Sustainability on page 23-24.



## Communications and Education

In October, our CEO Ms Leung spoke at the Bloomberg Global Regulatory Forum to highlight new opportunities in environmental, social and governance and technology innovation, as well as how internationalised regulation can encourage new growth between West Asia and East Asia. In November, she shared the SFC's perspectives on climate and other sustainability issues alongside Mr Jean-Paul Servais, the Chairman of the Board of the International Organization of Securities Commissions, at a seminar organised by the Consulate General of Belgium in Hong Kong.

In addition, our Senior Director and Head of International Affairs and Sustainable Finance Ms Christine Kung discussed major regulatory progress made to enable sustainable finance at the Sustainable Finance Policy Conference 2023, organised by the Principles for Responsible Investment, a United Nations-supported network of investors.

### Meetings and training seminars

We hosted two webinars in November for close to 1,800 management and compliance personnel from licensed corporations to provide updates on major regulatory developments and recent inspection observations on anti-money laundering and counter-financing of terrorism in Hong Kong.

In the same month, we met with the Alternative Investment Management Association (AIMA) to exchange views on the SFC's streamlined licensing measures applicable to private fund managers and overseas practitioners. To further engage with the alternative investment industry, we are discussing with AIMA to conduct a seminar in 2024 about our licensing regime for its local and overseas members.

Our executives presented at training sessions organised by industry associations and professional bodies to provide updates on a range of topics including listing, takeovers and insider dealing matters, licensing requirements for visiting professionals, the digitalised licensing process and the new Type 13<sup>2</sup> regulated activity regulatory regime.

### Publications to communicate regulatory updates

We provide stakeholders with regulatory updates and explain our work through a variety of publications. During the quarter, we released the SFC's *July-September 2023 Quarterly Report* to summarise our key regulatory work, corporate developments and financial information. We also published the quarterly *Takeovers Bulletin* in December.

### Publications and other communications

	Quarter ended 31.12.2023	Nine months ended 31.12.2023
Press releases	42	127
Policy statements and announcements	1	6
Consultation papers	2	4
Consultation conclusions	0	7
Industry-related publications	1	9
Codes and guidelines <sup>a</sup>	1	11
Circulars to industry	31	54
Corporate website average daily page views <sup>b</sup>	65,792	65,305
General enquiries	948	2,734

<sup>a</sup> Includes updates to previous versions.

<sup>b</sup> The average number of webpages browsed per day during the reporting period.

<sup>2</sup> Type 13 regulated activity is for depositaries of SFC-authorised collective investment schemes.