Highlights

Maintaining market resilience and mitigating serious harm to our markets

Enhancing risk management and supervisory oversight

We completed a thematic review on the account opening practices of selected brokers for Chinese Mainland investors and identified control failures. We also issued a circular to provide guidance covering additional measures on account opening.

To address evolving cybersecurity risks enabled by frontier artificial intelligence (AI) models, we issued a circular reminding licensed corporations and virtual asset trading platforms (VATPs) to maintain robust cybersecurity frameworks.

We concluded the consultation on the Hong Kong investor identification regime for the exchange-traded derivatives market. We also launched a dedicated webpage to support its implementation.

Combatting suspicious activities and investment scams

We issued a press release and social media posts to remind the public to stay vigilant against sophisticated fraudulent schemes that exploit the name of the Investor Compensation Fund (ICF).

Alerting the public against fraudulent schemes exploiting ICF's name

We added two entities to the Alert List for Suspicious Virtual Asset Trading Platforms, and two unlicensed entities to the Unlicensed Entities Alert List.

To caution the public against latest investment scam tactics, we spoke at a press briefing hosted by the Hong Kong Police Force (Police) in April.

Commission Secretary and Chief Governance Officer Mr Paul Yeung (first right) shared anti-scam tips at a press briefing hosted by the Police

The SFC's official account on Rednote was also launched to enhance our public education efforts.

We collaborated with 16 other IOSCO[1] members during the "Global Week of Action Against Unlawful Finfluencers" in April to demonstrate our commitment to combatting unlawful activities of financial influencers.

Cracking down on different misconduct

For the first time, the auditor of a defunct company is providing compensation to independent minority shareholders harmed by false and misleading financial statements. We reached an agreement with the auditor for it to set aside $1 billion to compensate eligible independent minority shareholders.

1st agreement reached with auditor for compensation

We fined two licensed corporations (LCs) for a total of $4.5 million and disciplined two individuals by suspending their licences or prohibiting them from re-entering the industry for periods ranging from eight months to life.

We initiated 12 new enquiries into listed company affairs and 48 new investigations into different forms of misconduct.

Launching the SFC's official account on Rednote

1 International Organization of Securities Commissions.

Enhancing the global competitiveness and appeal of Hong Kong capital markets

Developing Hong Kong as a premier listing platform

The past quarter saw 47 new listings, raising about $100 billion in total, up 12% year-on-year (YoY). Nine A-share listed companies raised over $50 billion from their H-share listings. There were 559 active listing applications as at end-June, up 180% from last year.

47 new listings

$100 billion
raised in this quarter

559 active listing applications as at end June

Since the launch of the Technology Enterprises Channel in May 2025, 130 applications were received from pre-profit biotech companies and 102 from specialist technology companies up to June. During the quarter, the listings of 15 specialist technology and biotech companies raised $18 billion, up 420% from the same period in 2025.

During the quarter, we processed 678 listing applications, of which 186 were new listing applications. We took an average of 28 business days to clear the applications.

Hong Kong as super-connector and offshore RMB hub

With the Mainland authorities' support, we approved the launch of Five-Year China Government Bond Futures, marking a milestone in advancing RMB internationalisation. Trading commenced in August[2].

During the first half, Stock Connect saw cumulative southbound (SB) net inflows of $301 billion, marking the longest streak of net inflows (ie, 34 months) on record. Daily SB trading accounted for 21.8% of Hong Kong market turnover.

Under Swap Connect, the aggregate notional amount of executed RMB interest rate swap transactions has surpassed RMB13.3 trillion. During the quarter, the average daily turnover reached RMB28.4 billion, up about 50% YoY.

Bolstering asset and wealth management hub

We revised our regulatory framework for listed structured funds in June to expand the product scope to include single-stock leveraged and inverse (L&I) products referencing Hong Kong-listed mega-cap stocks. We further enhanced the framework in July[3] to require L&I products with highly dynamic capacity to adopt a flexible leverage structure.

2 Post-reporting period.
3 Post-reporting period.

As at 30 June, the total capitalisation of SFC-authorised exchange-traded funds (ETFs) and L&I products listed on the Stock Exchange of Hong Kong Limited (SEHK) increased 43.1% YoY to $756.3 billion.

ETFs and L&I products

Total market capitalisation

▲43.1% YoY

as at 30 June

Average daily turnover

▲42.2% YoY

for quarter ending June

Gatekeeping securities industry

We received 2,456[4] licence applications, up 11% from the previous quarter and 9% from a year ago. As at 30 June, the total numbers of licensed corporations and individuals rose 4.9% and 5.3% year-on-year, respectively.

Applications for SFC licences

▲9% YoY

Boosting market liquidity and enhancing infrastructure

We have been working with People's Bank of China and the Hong Kong Exchanges and Clearing Limited (HKEX) to allow the acceptance of onshore bonds issued by the Ministry of Finance and Mainland policy banks held under northbound Bond Connect as eligible margin collateral at HKFE Clearing Corporation Limited and the SEHK Options Clearing House Limited.

The Uncertificated Securities Market regime is set to take effect in November following negative vetting at the Legislative Council this quarter. We received six applications to date to become Approved Securities Registrars.

We approved HKEX's proposed rule amendments for Phase 2 of reducing minimum spreads, which was implemented in August. We also continued to work with HKEX on board lot framework enhancements, T+1 settlement and after-hours trading.

Fostering global regulatory collaboration

We signed a memorandum of understanding with the Securities Commission Malaysia in July[5] to expand the scope of products eligible under the mutual recognition of funds and facilitate simplified dual IPO listings.

Our Chief Executive Officer Ms Julia Leung met with the China Securities Regulatory Commission Chairman Mr Wu Qing in June in Shanghai. They discussed enhancements to market connectivity, Hong Kong's support for Mainland capital market opening-up, and strengthening the city's position as an international financial centre.

4 The figure does not include applications for provisional licences.
5 Post-reporting period.

Leading financial market transformation through technology and ESG

Driving digital asset ecosystem development

We published the joint consultation conclusions together with the Financial Services and the Treasury Bureau on regulating virtual asset (VA) advisory and management service providers. We will finalise the legislative proposals for the new regimes covering VA dealing, custody, advisory and management services.

We have licensed a total of 13 VATPs. The total market capitalisation of the 11 VA spot ETFs has increased 55% to US$451 million since launch.

To further develop the product ecosystem, the SFC issued guidance in May to facilitate SFC-authorised funds in using and holding fiat-referenced stablecoins issued under the Stablecoins Ordinance, as well as tokenised deposits.

We issued a circular on the conduct requirements of VATPs and licensed corporations when offering services in HKMA[6]-regulated stablecoins.

Increasing market efficiency through tokenisation

To promote tokenisation for asset management, the SFC launched a framework to pilot secondary trading of tokenised SFC-authorised open-ended funds on SFC-licensed VATPs.

During the quarter, the SFC authorised one retail money market fund and one gold ETF with tokenised classes. Total assets under management (AUM) of 15 tokenised retail products[7] reached $10.3 billion, up 280% from a year ago.

15 tokenised retail products AUM

$10.3 billion

▲280% YoY

Advancing Hong Kong's leading role in sustainable finance

The Green and Sustainable Finance Cross-Agency Steering Group, co-chaired by the SFC and the HKMA, published its first sector-based operational guide on transition finance for the information and communications technology sector.

Panel discussion at the launch of the first sectoral guidance for transition finance

6 Hong Kong Monetary Authority.
7 These include the introduction of tokenised classes to existing SFC-authorised funds.

Enhancing institutional resilience and operational efficiency

Driving efficiency via technology

To strengthen our regulatory and operational efficiency, AI was deployed to enhance the monitoring and risk assessment of listed companies and improve the detection of potential financial scams. We also established a Data and AI Steering Committee (DASC), chaired by our CEO, Ms Julia Leung, to oversee the SFC's data and AI transformation strategy and governance.

Promoting continuous staff learning

We organised a "Two Sessions" sharing session, which was attended by 250 staff members. Moderated by our Chairman Dr Kelvin Wong, the panel sharing featured four Hong Kong representatives to national bodies, who shared their insights on the National 15th Five-Year Plan.

Chairman Dr Kelvin Wong (third from left) and Executive Director of Supervision of Markets Mr Rico Leung (second from left) with four prominent speakers at the SFC's "Two Sessions" sharing

Upholding effective institutional governance

Ms Elisa Ng was appointed Executive Director (ED) of Investment Products for three years. Ms Lisa Chen was reappointed ED of Legal Services for three years.

Mr Bernard Man, SC, was appointed Non-Executive Director (NED) and Mr Vincent Chan was reappointed NED, both for two years. Mr Victor Dawes, SC, stepped down as NED on 31 July[8].

48 press releases

135 social media posts

Proactive industry communications

During the quarter, our senior executives spoke at over 20 local, Mainland and international conferences on topics including corporate governance, mutual market access and digital assets.

We issued 48 press releases and 135 social media posts to promote public awareness of our work, including policy updates, scam alerts and stakeholder engagement.

Social media posts promote public awareness of the latest market trends and issues

8 Post-reporting period.