Enhancing the global competitiveness and appeal of Hong Kong capital markets

To strengthen Hong Kong's competitiveness and position as a leading fundraising and asset management hub, we strive to enhance capital market liquidity and efficiency, whilst deepening regulatory cooperation with the Chinese Mainland and global markets.

Enhancing listing market competitiveness and efficiency

Developing Hong Kong as a premier listing platform

Hong Kong's initial public offering (IPO) market remained active during the quarter, with 47 new listings raising about $100 billion in total, up 12% from a year ago. There were 559 active listing applications in the pipeline as at end-June 2026, representing a 180% increase from a year ago, reflecting the city's appeal as a listing venue.

As at end-June, more than 18 Mainland leading enterprises had listed in Hong Kong and raised more than $170 billion in total since the China Securities Regulatory Commission's (CSRC) announcement in April 2024 to further support listings in Hong Kong. They operate in wide-ranging traditional and new-economy sectors.

During the quarter, nine A-share listed companies completed their H-share listings in Hong Kong. They raised over $50 billion in total, of which $23 billion was raised by a leading Mainland enterprise.

559 active listing applications as at end-June 2026

▲ **180%** YoY

The Technology Enterprises Channel (TECH) has gained strong traction in enhancing Hong Kong's appeal as a fund-raising hub for innovative enterprises, with 130 applications from pre-profit biotech companies and 102 from specialist technology companies received from its launch in May 2025 to June 2026. During the quarter, the listings of 15 specialist technology and biotech companies raised $18 billion, up 420% from a year ago.

678 listing applications processed in the quarter

SFC average processing time: **28** business days[1]

1 For the 179 cleared cases of listing applications.

Listing applications and takeovers activities

	Quarter ended 30.6.2026	Quarter ended 31.3.2026	QoQ change (%)	Quarter ended 30.6.2025	YoY change (%)
Listing applications	**186**	192	-3.1	121	53.7
Takeovers and share buy-backs transactions	**117**	75	56.0	117	0.0

Gatekeeping IPO applications

During the quarter, we processed 678 listing applications and cleared 179 of them. 186 of the processed ones were new applications, including 22 from pre-profit biotech companies and 30 from specialist technology companies.

The cleared listing applications took us an average of 28 business days to process. Under the enhanced timeframe for new listing application process, up to end-June, we cleared 313 listing applications received after the SFC-SEHK joint statement in October 2024. A majority (95%[2]) of these applications were cleared within 40 business days.

Attracting overseas firms to list in Hong Kong

An Indonesian-incorporated company completed a secondary listing of Hong Kong Depositary Receipts on the SEHK in June, marking the first Indonesian issuer's listing in Hong Kong. This followed the addition of the Indonesia Stock Exchange to the list of Recognised Stock Exchanges in 2023, through ongoing collaboration between the SFC and SEHK to support secondary listings in Hong Kong.

Strengthening Hong Kong's role as super-connector

Stock Connect inflows remained strong

Southbound (SB) trading has brought around $5.4 trillion of cumulative net inflows into the Hong Kong securities market from the launch of Stock Connect in 2014 to June 2026. These inflows have continued for 34 consecutive months — the longest streak on record. During the first half, SB inflows totalled $301.0 billion whilst the average daily SB trading was $123.1 billion, or 21.8% of turnover in the Hong Kong market (compared to $121.1 billion, or 24.2% of market turnover in 2025). The average daily NB trading was RMB345.3 billion, or 6.4% of turnover in the Mainland market (compared to RMB212.4 billion, or 6.2% of market turnover in 2025).

Stock Connect

1H 2026 Cumulative southbound net inflows

$301 billion

Average daily southbound trading

21.8% **of Hong Kong market**

2 As noted in the Joint Statement on Enhanced Timeframe for New Listing Application Process dated 18 October 2024, the time taken for the application process may be lengthened where the applicants and their sponsors provided materially incomplete responses or failed to satisfactorily address regulators' comments. In addition, given the recent significant surge in the numbers of new listing applications and applications being processed during the period, the review time for certain applications may have been modestly extended beyond 40 business days, taking into account the quality of relevant applications and the complexity or regulatory issues involved in individual cases.

Update on Mutual Recognition of Funds (MRF)

During the quarter, Hong Kong funds and Mainland funds recorded net redemptions of about RMB6.6 billion and net subscriptions of about RMB1.2 million respectively under the Mainland-Hong Kong MRF scheme.

As at end-June, 39 Mainland funds had been authorised by the SFC and 46 Hong Kong funds approved by the CSRC. Cumulative net subscriptions amounted to about RMB109.2 billion for Hong Kong funds and about RMB657.6 million for Mainland funds as at end-June.

Building offshore RMB and risk management hub

Introducing Five-Year China Government Bond Futures

With the Mainland authorities' support and reflecting the SFC's close collaboration with them in recent years, we approved HKEX's proposal to launch Five-Year China Government Bond (CGB) Futures, which commenced trading in August[3]. This marks a milestone in Hong Kong's drive to advance RMB internationalisation, strengthening its role as an offshore RMB centre and development as a fixed income and currency hub. As international investors continue to steadily increase their holdings in CGBs, particularly via Bond Connect, CGB futures provide them with an effective offshore hedging tool to manage RMB bond risk, whilst facilitating greater participation in the Mainland bond market.

Swap Connect turnover growing further

The trading volume of Swap Connect has grown since its debut in mid-2023, with active participation from both Mainland and overseas investors. As of end-June, 98 overseas investors had participated in the scheme and the aggregate notional amount of executed RMB interest rate swap transactions had surpassed RMB13.3 trillion. During the quarter, the average daily turnover under the scheme reached RMB28.4 billion, up about 50% year-on-year.

As a result of the robust turnover, the SFC and the People's Bank of China (PBoC) approved an increase in the Swap Connect inter-CCP margin limit[4] from RMB4 billion to RMB6 billion to enhance the clearing capacity of Swap Connect, effective early July. To further enrich the product suite under Swap Connect, we are working with the PBoC, OTC Clear and Shanghai Clearing House to include the interbank 7-day fixing depositary institutions repo rate (FDR007) as a reference rate.

HKD-RMB dual counter trading

After Hong Kong's securities market attained the technical capability to accommodate RMB counters under SB Stock Connect, we are working closely with HKEX on the operational arrangements to support the Government's initiative to allow stamp duty on RMB-counter stock transactions to be paid in RMB.

Mainland-Hong Kong MRF scheme – fund flows[a] (RMB million)

	Three months ended 30.6.2026			Three months ended 31.3.2026			Three months ended 30.6.2025		
	Subscription	Redemption	Net subscription/ (redemption) [b]	Subscription	Redemption	Net subscription/ (redemption) [b]	Subscription	Redemption	Net subscription/ (redemption) [b]
Mainland funds	91	90	1	75	96	(22)	21	50	(30)
Hong Kong funds	26,395	32,992	(6,597)	28,197	37,599	(9,402)	12,021	44,132	(32,111)

a Based on data from the State Administration of Foreign Exchange.
b Figures may not add up to total due to rounding.

3 Post-reporting period.
4 The inter-CCP (central counterparty) margin limit aims to manage the overall exposure of cross-boundary transactions.

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

Fast-tracking authorisation of simple funds

During the quarter, we authorised 11 FASTrack-eligible funds within the 15-day timeframe[5], reducing the average processing time by more than 50% since the FASTrack was implemented.

Average processing time with FASTrack

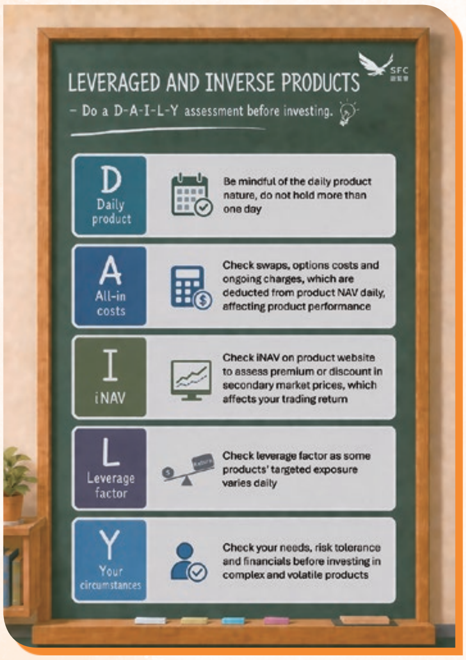
▼ 50%+ since launch

Expanding ETF and L&I product markets

To support the continued development of Hong Kong's leveraged and inverse (L&I) products market, we revised our regulatory framework for listed structured funds in June to expand the product scope to include single stock L&I products referencing highly liquid Hong Kong-listed mega-cap stocks. In light of the evolving market environment, we also strengthened investor safeguards and required L&I products with highly dynamic capacity dependent on evolving market conditions to adopt a flexible leverage structure, providing product providers greater flexibility in managing their products while drawing investors' attention to their nature as daily trading instruments.[6]

Educating investors on daily nature of L&I products

To raise investor awareness, we worked with the Investor and Financial Education Council in June to publish investor education posts on its social media platforms, reminding investors about the key risks of single stock L&I products. In July, we issued an infographic themed "D-A-I-L-Y" to provide investors a checklist and urge them to conduct a daily assessment when trading L&I products.[7]



5 Under the Fund Authorisation Simple Track (FASTrack), we pledge a 15-day authorisation timeframe for simple funds from jurisdictions with an MRF arrangement with Hong Kong. These jurisdictions currently include Australia, France, Ireland, Luxembourg, Mainland, Malaysia, the Netherlands, Switzerland, Taiwan China, Thailand, the United Arab Emirates and the UK.
6 Post-reporting period.
7 Post-reporting period.

Authorised ETFs and L&I products

Average daily turnover

▲ 42.2%YoY

Total market capitalisation

▲ 43.1%YoY

As at end-June, 221 exchange-traded funds (ETFs) and 29 L&I products authorised by the SFC were listed on the Stock Exchange of Hong Kong Limited (SEHK), up 16.8% from a year ago in aggregate. Their total market capitalisation rose 43.1% year-on-year to $756.3 billion (US$97.0 billion).

During the quarter, these ETFs and L&I products recorded net inflows of $144.8 billion (US$2.7 billion) and an average daily turnover of $51.9 billion (US$6.7 billion), representing 17.9% of Hong Kong's stock market turnover. In particular, single stock L&I products showed strong growth, with a market capitalisation of $133.5 billion (US$17.2 billion), increasing 380-fold since launch in March 2025.

As at end-June, 31 ETFs were eligible for SB trading under Stock Connect. During the quarter, SB ETF trading had an average daily turnover of $5.2 billion (US$659.6 million), contributing 6.9% to the total turnover of eligible Hong Kong ETFs.

Hong Kong-domiciled funds' AUM and fund flow surge

As at end-June, there were 1,082 Hong Kong domiciled funds, up 1.5% from the previous quarter and up 9% from a year ago. Their assets under management (AUM) increased 8.6% from the previous quarter and increased 21.6% year-on-year to $2,537.1 billion (US$323.4 billion). Net fund inflows reached about $12.3 billion (US$1.6 billion) in the quarter.

Number of Hong Kong-domiciled funds as at end-June

▲ 9%YoY

AUM

▲ 21.6%YoY

Authorising investment products

During the quarter, we authorised 39 unit trusts and mutual funds (including 26 Hong Kong-domiciled funds) and 116 unlisted structured investment products (including a new gold-linked investment, the first since 2017) for public offering in Hong Kong.

Sustained growth of open-ended fund companies (OFCs)

As at end-June, there were 752[8] registered OFCs, of which 38 were newly registered during the quarter. The number of registered OFCs increased 29.9% year-on-year.

Number of OFCs

▲29.9% YoY

Driving Integrated Fund Platform (IFP) development

We have been supporting the development of IFP – a new financial infrastructure to facilitate retail fund distribution in Hong Kong. As of end-June, a total of 55 firms (including fund distributors, asset managers and transfer agents) had joined the IFP. Following the launch of the fund repository[9] and the order routing Service[10] in prior phases, we are working closely with HKEX and other parties to implement the platform and nominee services as the next phase, which is expected to be launched in 2026.

SFC-authorised ETFs and L&I products[a,b]

	As at 30.6.2026	As at 31.3.2026	QoQ change (%)	As at 30.6.2025	YoY change (%)
Number of SFC-authorised ETFs and L&I products[c]	250	242	3.3	214	16.8
Market capitalisation[d] ($ billion)	756.3	651.2	16.1	528.5	43.1

	Quarter ended 30.6.2026	Quarter ended 31.3.2026	QoQ change (%)	Quarter ended 30.6.2025	YoY change (%)
Average daily turnover ($ billion)	51.9	45.1	15.1	36.5	42.2
Net fund flow[d] ($ billion) – Net inflow (outflow)	21.1	68.5	N/A	(6.8)	N/A

a Based on data from HKEX.
b The statistics only cover authorised ETFs and L&I products listed and traded on HKEX's securities market.
c Multiple counters of an ETF and L&I product are counted as one product.
d Market capitalisation and fund flow statistics are calculated based on the units/shares of all authorised ETFs and L&I products held in Hong Kong.

8 This figure includes 708 private OFCs.
9 An online database on the IFP providing one-stop access to information on SFC-authorised funds, enabling distributors and investors to easily access and compare fund offerings.
10 This service enhances connectivity between fund distributors and transfer agents on the IFP, improving the process for order placements, including fund subscriptions and redemptions.

ETF Connect – Southbound trading and fund flows of eligible Hong Kong ETFs^

Quarter ended	Number of eligible Hong Kong ETFs as at period end	Market capitalisation as at period end ($ million)	Southbound trading average daily turnover ($ million)	As a % of eligible ETFs' total turnover (%)	Fund inflow/ (outflow) of eligible Hong Kong ETFs ($ million)
30.6.2026	**31**	314,293	5,173	6.9	(17,532)
31.3.2026	**23**	334,810	7,069	9.2	24,325
30.6.2025	**17**	298,365	3,212	5.0	(12,122)

^ Based on data from HKEX.

Authorised collective investment schemes

	As at 30.6.2026	As at 31.3.2026	QoQ change (%)	As at 30.6.2025	YoY change (%)
Unit trusts and mutual funds – Hong Kong domiciled	**1,082**[a,b]	1,066	1.5	993	9.0
Unit trusts and mutual funds – non-Hong Kong domiciled	**1,455**[c]	1,458	-0.2	1,431	1.7
Investment-linked assurance schemes	**318**	319	-0.3	320	-0.6
Pooled retirement funds	**31**	31	0.0	32	-3.1
MPF schemes	**23**	23	0.0	23	0.0
MPF pooled investment funds	**194**	195	-0.5	198	-2.0
Paper gold schemes	**16**	16	0.0	15	6.7
REITs	**11**	11	0.0	11	0.0
Total	**3,130**	3,119	0.4	3,023	3.5

a This figure includes 121 approved pooled investment funds (retail APIFs) which MPFs may invest into and may also be offered to the public in Hong Kong.
b This figure includes 241 Hong Kong-domiciled ETFs and L&I products.
c This figure includes 9 non-Hong Kong-domiciled ETFs and L&I products.

Authorised unlisted structured investment products

	As at 30.6.2026	As at 31.3.2026	QoQ change (%)	As at 30.6.2025	YoY change (%)
Unlisted structured investment products^	504	440	14.5	414	21.7

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

Registered OFCs

	As at 30.6.2026	As at 31.3.2026	QoQ change (%)	As at 30.6.2025	YoY change (%)
OFCs	752^	715	5.2	579	29.9

^ This figure includes 708 private OFCs.

SFC-authorised renminbi (RMB) investment products

	As at 30.6.2026
Unlisted products	
Unlisted funds primarily investing in onshore Mainland securities markets[a] or offshore RMB bonds, fixed-income instruments or other securities	61
Unlisted funds (non-RMB denominated) with RMB share classes	531
Paper gold schemes denominated in RMB	1
Recognised Mainland funds under Mainland-Hong Kong MRF arrangement	39
Unlisted structured investment products issued in RMB[b]	503
ILAS with policy currency in RMB	8
Listed products	
ETFs primarily investing in the onshore Mainland securities markets[a] or offshore RMB bonds, fixed-income instruments or other securities	46
ETFs (non-RMB denominated) with RMB trading counters and/or RMB share classes	73
RMB leveraged and inverse products	1
RMB gold ETFs[c]	1
RMB REITs	1

a Refers to onshore Mainland investments made through the Qualified Foreign Investor scheme, 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 RMB.

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

For the quarter ending June, Hong Kong-domiciled funds reported overall net inflows of $12.3 billion (US$1.6 billion), which was primarily attributed to equity funds and money market funds.

	Three months ended 30.6.2026			Three months ended 31.3.2026			Three months ended 30.6.2025		
	Subscription	Redemption	Net subscription/ (redemption)[b]	Subscription	Redemption	Net subscription/ (redemption)[b]	Subscription	Redemption	Net subscription/ (redemption)[b]
Bond	3,389	6,229	(2,840)	5,465	7,894	(2,429)	5,427	9,082	(3,655)
Equity	12,269	9,000	3,269	12,124	7,619	4,505	4,033	4,331	(298)
Mixed	6,497	5,513	984	6,331	3,338	2,994	1,823	2,208	(385)
Money market	91,968	93,503	(1,535)	85,839	84,495	1,344	72,877	59,385	13,491
Feeder funds[c]	15	7	8	20	11	9	2	16	(15)
Index[d]	38,233	37,213	1,020	45,884	40,194	5,690	34,228	35,603	(1,375)
Guaranteed	0	1	(1)	0	2	(2)	0	1	(1)
Commodity and virtual asset	840	171	670	409	84	325	215	240	(26)
Total[b]	153,211	151,637	1,574[e]	156,071	143,636	12,435	118,605	110,867	7,737

a Based on data reported by funds domiciled in Hong Kong.
b Figures may not add up to total due to rounding.
c The subscription and redemption amount of feeder funds whose master funds are authorised by the SFC have been excluded to better reflect the total fund flows.
d Including equity and fixed income index tracking funds, ETFs and L&I products.
e This figure includes net fund outflows of $8.2 billion (US$1.0 billion) reported by retail approved pooled investment funds which MPFs may invest in and may also be offered to the public in Hong Kong.

Unit trusts and mutual funds authorisation – processing time by fund application streams

	Three months ended 30.6.2026	
Fund application streams^	No. of funds authorised during the quarter	Processing time
FASTrack	11	11.45 business days (ie, 0.57 month)
Standard	17	1.38 months
Non-standard	11	2.23 months
Total	39	

^ New fund applications are processed under three different application streams. The SFC aims to grant authorisation for application, if successful, within the following target timeframe for the respective application streams: (i) FASTrack: within 15 business days; (ii) Standard: within 1-2 months; and (iii) Non-standard: within 2-3 months.

Gatekeeping securities industry

Increasing number of licensees under SFO

During the quarter, we received 2,456[11] licence applications, including 2,371 individuals and 85 corporations, up 11% from the previous quarter and 9% year-on-year.

As at end-June, there were 51,733 licensees and registrants, including 3,517 licensed corporations (LCs), 48,106 individuals and 110 registered institutions (RIs). During the quarter, the number of new licensees and registrants totalled 3,797[12], comprising 3,730 individuals, and 67 LCs and RIs.

Amongst the LCs approved during the quarter, Type 9 (asset management) regulated activity[13] (RA) accounted for 85% and Type 4 (advising on securities) RA for 71%. Compared to end-March, the number of firms licensed for Type 9 RA increased by 47 (or 2%) to 2,454.

2,456 new licence applications received

▲ **9%YoY**

Licensees and registrants under the SFO

	As at 30.6.2026	As at 31.3.2026	QoQ change (%)	As at 30.6.2025	YoY change (%)
Licensed corporations	**3,517**	3,470	1.4	3,353	4.9
Registered institutions	**110**	109	0.9	108	1.9
Licensed individuals	**48,106**	47,454	1.4	45,690	5.3
Total	**51,733**	51,033	1.4	49,151	5.3

Licensing applications under the SFO

	Quarter ended 30.6.2026	Quarter ended 31.3.2026	QoQ change (%)	Quarter ended 30.6.2025	YoY change (%)
Applications to conduct new regulated activity	**7,692**	6,904	11.4	6,678	15.2
Applications for SFC licences^	**2,456**	2,203	11.5	2,246	9.3

^ Figures do not include applications for provisional licences. During the quarter, we received 1,295 provisional licence applications compared with 1,037 in the same quarter last year.

11 The figure does not include applications for provisional licences.
12 Including provisional licensed representatives.
13 Each licensed corporation may have multiple RA licences.

Boosting market efficiency and enhancing infrastructure

Expanding the use of CGB as collateral

We have been working with the PBoC and HKEX to allow the acceptance of onshore bonds issued by the Ministry of Finance and Mainland policy banks held under northbound Bond Connect (Bond Connect bonds) as eligible margin collateral at HKFE Clearing Corporation Limited (HKCC) and the SEHK Options Clearing House Limited (SEOCH). HKCC and SEOCH are also working to accept offshore bonds issued by the Ministry of Finance as eligible margin collateral. Both initiatives are targeted for launch by end-2026.

Preparing to launch Uncertificated Securities Market (USM) regime

With the Legislative Council's negative vetting process having ended during the quarter, the USM regime is now set to be implemented on 16 November 2026.

Under the USM regime, prescribed securities that are first listed after the USM launch date will have to be participating securities for the USM from the time of listing. For prescribed securities that are already listed, they will have to become participating securities within a five-year transition period. Once securities become participating securities, they may be held and transferred electronically. There will also be restrictions on the issue of new certificates and use of paper instruments of transfer. Issuers of prescribed securities will need to ensure that the register of holders of their prescribed securities is kept and maintained by an approved securities registrar (ASR) at all times. To date, six share registrars have applied to become ASRs, and the SFC is now at an advanced stage of reviewing these applications.

USM launch date

16 November 2026

To enhance awareness and understanding of the USM regime and its implications for different market participants, we have stepped up our education and publicity efforts. During the quarter, we explained the features of the new regime and its implications for investors at a radio interview. In addition, we reached out to over 3,500 market participants in four seminars and discussion panels. We continued to enrich our dedicated USM webpage. We also issued a detailed guidance note for issuers explaining their obligations under the USM regime, and expanding on the changes needed to their articles or other terms of issue.

Over 3,500 market participants joined four seminars and discussion panels on new USM regime

Executive Director of Supervision of Markets Mr Rico Leung (middle) interviewed on Commercial Radio

Updating OTC derivatives regime

The SFC and Hong Kong Monetary Authority's joint consultation on standardising the calculation periods under Hong Kong's over-the-counter (OTC) mandatory clearing regime received broad support and was published in June 2026. The proposal provides greater regulatory certainty to derivative dealers in identifying future calculation periods to ensure compliance with the Securities and Futures (OTC Derivative Transactions – Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules. The proposed amendments will be subject to legislative process for implementation in March 2027.

Reducing minimum spreads

The SFC has observed HKEX's Phase 1 implementation of minimum spread reduction since August 2025. In light of the favourable results, we had approved HKEX's proposed rule amendments for Phase 2. In August, Phase 2 was implemented, reducing the minimum spread by 50% for eligible securities priced between $0.50 and $10 and further lowering trading costs.

Enhancing board lot framework

In June, HKEX concluded its consultation on enhancing the board lot framework and will proceed with the proposals in phases, including standardising board lot sizes to eight, reducing the value floor and introducing a value ceiling. We will continue to work closely with HKEX on its implementation.

In parallel, taking into account the SFC's comments, HKEX plans to enhance the odd lot trading mechanism by introducing an automatic matching arrangement to improve trading efficiency.

Shortening settlement cycle to T+1

We are in close collaboration with HKEX on reducing Hong Kong's securities settlement cycle from T+2 to T+1. Subsequent to HKEX's public consultation on the proposed T+1 settlement model during the quarter, we continued to oversee HKEX's development of the implementation framework and its efforts to enhance market readiness for transitioning to T+1. HKEX will publish the consultation conclusions in due course.

Lowering HKEX's collateral costs

We received highly positive feedback from market participants after HKEX implemented enhancements to increase the interest rebates for cash collateral and reduce the charges for using non-cash collateral. We are working with HKEX on measures to further improve collateral efficiency and lower the transaction costs.

Developing advanced trading and post-trade platforms

To support the modernisation of market infrastructure, we continued to oversee the developments of HKEX's Orion Derivatives Platform (ODP) and Orion Cash Platform (OCP). During the quarter, we completed a review of the ODP implementation approach and reached a consensus with HKEX on a two-stage migration to the new platform. For OCP, we worked with HKEX to facilitate the rollout of new OCP services and engaged with it on the next stages of development.

After-hours trading enhancement

To improve the accessibility of the derivatives market and strengthen Hong Kong's position as a risk management centre, we approved HKEX's proposals to enable after-hours trading (AHT) for stock index futures and options on trading days that are mutual bank holidays in the US and the UK, shorten the time break between day trading and AHT sessions, and widen the AHT price limits for three major index futures.[14] These enhancements took effect on 20 July.[15]

14 Hang Seng Index futures, Hang Seng China Enterprises Index futures and Hang Seng TECH Index futures.
15 Post-reporting period.

Streamlining introduction and delisting of stock options

To enhance market efficiency, we had ongoing discussions with HKEX on potential streamlining of the processes for introducing and delisting stock options. This will help strengthen the overall competitiveness of the Hong Kong market.

Automated trading services

As of end-June, there were 54 automated trading services (ATS) providers authorised under Part III of the Securities and Futures Ordinance (SFO)[16], whilst 38 corporations, including 10 dark pool operators, were licensed under Part V of the SFO to provide ATS.

Bolstering global regulatory collaboration

Strengthening connectivity with Southeast Asia

Leveraging on the 2009 framework for Hong Kong-Malaysia mutual recognition of Islamic funds, we signed a memorandum of understanding (MoU) with the Securities Commission Malaysia (SC) in July 2026[17] to expand the scope of eligible products under the MRF framework (including non-Islamic ETFs and L&I products, and real estate investment trusts) and facilitate a simplified dual IPO listing framework. This represents a significant step in advancing the connectivity between the two capital markets.

SFC CEO Ms Julia Leung (third from right), with The Honourable Christopher Hui (second from right), Secretary for Financial Services and the Treasury of the HKSAR Government, and SFC Chairman Dr Kelvin Wong (first from right), at the MoU signing ceremony

Following the MoU signing, the two regulators co-hosted industry roundtables on cross-listings of companies and investment products. The roundtables in Kuala Lumpur, Malaysia, were attended by senior executives of the Hong Kong and Malaysian exchanges[18], more than 120 Malaysian industry stakeholders, and a delegation of 33 Hong Kong industry leaders comprising asset managers, market makers and investment bankers.

ATS providers

	As at 30.6.2026	As at 31.3.2026	QoQ change (%)	As at 30.6.2025	YoY change (%)
Under Part III	54	54	0.0	53	1.9
Under Part V	38	38	0.0	37	2.7

16 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.
17 Post-reporting period.
18 SEHK and Bursa Malaysia Securities Berhad.

CEO Ms Julia Leung (right) and Executive Director of Supervision of Markets Mr Rico Leung (left) at IOSCO Committee 2 Plenary meeting

Leading international standard-setting efforts

We work closely with our overseas regulatory counterparts to develop global regulatory initiatives, contribute to the work of international standard-setting bodies, and enhance international cooperation and capacity building. Our leadership positions within the committees and working groups of the International Organization of Securities Commissions (IOSCO) and the Financial Stability Board (FSB) allow us to shape international policy.

IOSCO

In April, we hosted the plenary meeting of the IOSCO Committee on Regulation of Secondary Markets (Committee 2) in Hong Kong, which focused on significant developments and regulatory responses to an evolving trading environment in secondary markets[19]. Additionally, we hosted a roundtable with industry stakeholders to facilitate the exchange of perspectives on emerging trends and challenges facing global capital markets.

Our Chief Executive Officer (CEO) Ms Julia Leung and senior executives attended the IOSCO Annual Meeting virtually in May to discuss IOSCO's strategic objectives and 2027 workplan. Ms Leung chaired the Asia-Pacific Regional Committee Plenary meeting and presented at the Presidents Committee and SupTech[20] Strategy Group meeting, reinforcing our role in driving international regulatory collaboration.

During the quarter, we also participated in a number of IOSCO meetings including those of the Financial Stability Engagement Group, Financial Stability Coordination Group, Committee on Emerging Risks, and the Monitoring Forum.

As a member of the IOSCO Policy Committee on Investment Management, we co-lead ongoing work on open-ended funds liquidity data, and contribute to the workgroup on emerging investment products and the FSB's money market fund reforms working group for effectiveness reviews. We also actively took part in supporting the publication of IOSCO's final report on valuing collective investment schemes to strengthen global standards for fund valuation, which was released in June.

FSB

Ms Leung attended the FSB Steering Committee meeting in Washington DC, US, in April to discuss enhanced engagement with the FSB Regional Consultative Groups (RCG), the FSB's role in policy implementation, and strategies on crisis preparedness.

Ms Christine Kung, our Senior Director and Head of International Affairs and Sustainable Finance, attended the FSB RCG of Asia meeting in Hanoi, Vietnam, in April. The meeting discussed the 2026 work programme and priority issues for Asia, including regional financial stability vulnerabilities, foreign exchange market strains, cross-border payment fraud and scams, and stablecoin-related risks.

19 These included measures related to extended trading hours, challenges concerning market liquidity and volatility, and ongoing initiatives to strengthen market resilience.
20 Supervisory Technology.

During the quarter, we attended the FSB Standing Committee on Standards Implementation meeting to discuss OTC derivatives implementation monitoring, the peer review on the PBF[21] mechanism and 2027 work priorities.

Regulatory collaboration with the Mainland

During the quarter, we maintained close and effective communications with our Mainland counterparts to further advance various Mainland-related cooperation initiatives.

In June, we met with CSRC Chairman Mr Wu Qing and other financial regulators and senior executives of market trading and clearing houses in Shanghai. We exchanged views on the latest developments in the Mainland and Hong Kong capital markets and enhancements to market connectivity. In addition, we explored how Hong Kong can better support the opening-up of Mainland's capital market and strengthen the city's as an international financial centre.

In June, the annual sharing session between our Legal Services Division and the CSRC's Department of Legal Affairs was held in Shenzhen, which provided a platform for exchanging views on the latest regulatory developments. We also organised visits to the National Financial Regulatory Administration, CSRC, and the PBoC in Beijing, where we discussed a range of regulatory cooperation initiatives, our latest policy measures and other matters concerning Hong Kong-licensed subsidiaries of Mainland-regulated financial institutions.

During the quarter, we received delegations from the Shenzhen Stock Exchange, Shanghai Research Center for Financial Stability and Development, and the Office of the Financial Affairs Committee of the CPC Shenzhen Municipal Committee.

HKSAR Financial Secretary, Mr Paul Chan (left) and CEO Ms Julia Leung (right) met with CSRC Chairman Mr Wu Qing (middle) in Shanghai

Moreover, we continued to support HKSAR Government-led initiatives on Mainland-Hong Kong financial cooperation. In addition to providing input on various cooperation frameworks, we attended the fourth meeting of Shenzhen-Hong Kong Financial Co-operation Committee in Shenzhen to discuss financial cooperation initiatives and explore new proposals to enhance mutual development of the two markets.

Other regulatory engagement

We actively participated in four supervisory colleges held in Zurich, New York and Paris in May and June, to share intelligence and exchange views with other global regulators regarding group strategy, crisis management, and artificial intelligence adoption by global financial institutions. We will continue to engage and collaborate with regulators worldwide to maintain effective supervisory oversight of these firms.

21 Public-sector backstop funding.